App.F.IX-4]

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1923-24 File No. 197-23

Previous References. (Bal)

Serial Nos. 1, 2, 3, 4, 5, 6, 7, 8, 10, 11

Later references.

GENERAL & REVENUE SECRETARIAT

Serial Nos.

Part B for July 25

SUBJECT

Municipal Council's proposals for raising a loan for Bangalore City water supply.

(For Disposal at a Meeting)

No. C. 424
of 1924-25

GENERAL AND REVENUE SECRETARIAT

Council Matter

SUBJECT

(Clause-xii of the Schedule)

Municipal Council's proposals for raising loan etc for Bangalore City Water Supply.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

23rd May 1925.

Offg. Chief Secretary to Government

Extraordinary Member of Council.

First Member of Council.

Second Member of Council. Recd 1/7 after- Minutes

Extra Member of Council.

(G. R. S. 11) 1923-24

GENERAL AND REVENUE SECRETARIAT.

(Revenue)

NOTES

File No. 127-23

FILE HEADING.

Maintenance of the Bangalore city Water Works by the City Municipal Council, Bangalore.

From

The President, Bangalore city Municipal Council

No. 166 of 23-24 Dated 6. 8. 24 Received 7. 8. 24

Diary No. 5164/L	Enclos. 1	Spare Copies.	Serial No. 1

BRIEF ABSTRACT OF LETTER.

Requests early issue of orders sanctioning, with effect from the first day of the July 1924 removing objections of the Municipal Council to take over charge completely of the Water Supply maintenance charges

NOTES AND ORDERS

E

Under proceedings G.O. No. 6053-65/R.L 176-19-25 dated 19th April 1922, the Bangalore City Municipal Council should bear the entire charges for water supply to Bangalore city with effect from the 1st July 1924.

NOTES—First Sheet.

G R. S. III-2]

General and Revenue Secretariat. | A1 File No. 127 of 1926

Serial No	
	2 With reference to the above order of the Director of Municipal Administration, Madras, the Council is hereby informed that the Bangalore City Municipal Council with their letter No. 935 dated 30th December 1922 submitted for orders a copy of the resolution of the Municipal Council requesting permission to take up the consideration, after July 1926, of the question of the transfer of the management of the Bangalore City Water Works to their control. But Govt directed to maintain the status quo ante till 19th April 1922. vide Govt Order No. 47909/R(2)27-1 dated 6.8.23
	3 The Municipal President of the City Municipal Council has requested the question of reconsideration of the orders of Govt directing that the City Municipal Council should take up the control of the City Water Works from 19th July 1924 and to postpone the said transfer from time to time upto 19th July 1926 to enable the present financial condition of the Municipality is stated to be bad from unfavourable on account of the failure of seasons — Crops under cultivation and the failure of rains in the Municipal limits and surroundings on account of trade depression and the Government

NOTE—Contin. sheet.

G R. S. III-2]

General and Revenue Secretariat. | nC File No. 127 of 1923

Serial No

fall in the annual value of buildings in the Cantonment.

4 From the statement comparing the P.W.D and showing the normal and income and expenditure of the Municipality for the 3 years 1921-22, 1922-23 and 1923-24, it is seen that there has been a huge fall in income under octroi [illegible] and further future from is expected in the coming year and ~~[illegible]~~ owing to the ~~[illegible]~~ of octroi in the City Station and the consequent diversion of trade from the City to that Quarter (2) the fall in the annual value of buildings on account of trade depression and (3) the existing unfavourable season to improve the land revenue.

5 The financial condition of the Municipality as per annexed statement is given below :—

		Rs
Opening balance		28,117
Receipts Special	5,41,100	
Normal	5,56,705	10,97,705
Total		11,17,822
Expenditure Spl	3,60,972	
Normal	6,42,738	10,03,610
Closing balance		1,14,212

NOTE—Contin. sheet.

5144

G R. S. III-21

General and Revenue Secretariat

RC File No. 187 of 1923

Serial No

6 From the above statement, it is seen that the normal requirements of the municipality is by means of the Municipal Conservancy alone. The Municipal Council have got a sum of Rs 4,25,000/- in Fixed Deposits in the Corporation Bank.

7 The point for orders is whether the further time upto the 16th July 1924 may be given to the Municipal Council to tackle over charges of the Water Works as recommended by the Special Committee in para 8 A (4) of the G.O. of the 19th March 1924 and as prayed for by the Petitioners.

Submitted for orders.

12.8.24

S L Hobday

14/3

I am expecting a note for instructions. Shall be written & Do.

Sd
4/8

7 Submitted a note on the subject of Municipal Water Works. The full maintenance charges of the water works.

Sd

NOTE—Contin. sheet.

NOTE ON THE BANGALORE CITY WATER SUPPLY CHARGES

---oOo---

(a) The Municipality wants a postponement of the date fixed for payment of full charges to 1926 on the ground that there is no way of meeting the same owing to the crippled resources of the Municipality They were asked to take steps to revise the water rate ~~to~~ , some time ago They have not sent any definite proposals but merely want time

(b) The receipts and the annual maintenance charges for the Bangalore Water Supply Works for the last 3 years are as follows

	EXPENDITURE.		1920-21	1921-22	1922-23.
			Rs	Rs	Rs
1	Working expenses		1,65,819	2,11,916	1,96,148
2	Establishment charges		43,232	65,574	36,952
3	Tools and Plant		7,588	1,330	1,051
4	Depreciation charges		62,199	63,843	(89,193
5	Indirect charges		6,066	8,900	(5,173
	Total	Rs	2,79,004	3,49,563	3,28,517
	RECEIPTS.				
1	Sale of water and meter hire		34,730	36,110	46,058
2	Contribution from C & M Station		30,860	36,094	32,029
3	Contribution by the City Municipality and the District Board		30,250	30,250	49,686
4	Other Miscellaneous charges		3,099	--	This is due to full credit of the water-tax realised by the Municipality this year
	Total	Rs	98,939	1,02,454	1,27,773

(c) The deficits during the past 3 years were therefore

1920-21	1921-22	1922-23
1,80,065	2,47,109	2,00,744

Average for the 3 years Rs. 6,27,918/3 or 2,09,306

(d) Water rate realised in the Bangalore City Municipality during this period is as follows -

1920-21	1921-22	1922-23
Rs 40,223	Rs 47,999	Rs 49,715

7

Average Receipts on account of water for the period	Rs	1,37 937/3 or 45 979
The Receipt estimated for 1923-24	Rs	48,700
The Receipts may therefore roughtly be put down at	Rs	46 000
The deficit which from 1924-25 tne Municipality has to meet after deducting the water rate and the contribution from the C & M Station Municipality amounts in the average to Rs 33 000 will be	Rs Rs Rs Rs	2,09 306— 46 000 /- 33,000 1 19 706 or 1,20,000 roughly

14 With a view to increase the revenue of the Municipality to meet the maintenance charges the Chief Engineer has suggested the following steps -

(1) Increase in the water rate from 3% to 6%

(2) Reduction in the Electric Power charge from 6 annas to 5 annas as before

(3) Charging of a varying rate for house connections from 1-8-0 to Rs 3/- according to the rental value of the buildings instead of the existing practice of charging on the quantity of water consumed He adds that at an average rate of Rs 2/- this is expected to bring Rs 96 000 and the practice prevails in Shimoga and Davangere where Rs 2 per mensem for each house is levied in addition to general rate

15 I consider that the above views may be recommended for adoption except that a uniform rate of Rs 1-8-0 may be fixed for house connections

16 The increased revenue expected to accrue from this is as follows -

(1) Increase of water rate from 3% to 6% The additional income which will accrue from this will be	Rs	46,000
(2) The adoption of a rate of Rs 1-8-0 for each house connection instead of the existing rate based on excess consumption There are 4 000 house connections The income from this source will be	Rs	72 000
(3) Reduction in the rate of Electric Power from 6 annas to 5 annas as before	Rs	14 000
T o t a l	Rs	1 32 000

G. R. S. III-2.

General and Revenue Secretariat.

File No. 127 of 1923.

Serial No.

2

3

G. R. S. III-2,

General and Revenue Secretariat. | File No. 127 of 192-

Serial No.

4 Memo. No. 7441 G 12.5.24 from the Chief Electrical Engr.

Forwards a copy of his Office Memo No. 7437 G 12.5.24 & the Secy to Govt, P.W.D. stating that the Municipality will have to pay for the Power out of their own funds as a separate Current Grant and that the Municipality should therefore be made from the Schedule of rates at present in force.

2 The Chief Electrical Engr is right in advising the Municipality from .6 d per unit to .5 d per unit per B.T. in the Water Supply Installation.

3 Submitted for orders in para 21 of the notes. The Hon'ble Premier may give the points referred to in para 19 and 20 of the notes.

15.5.24

31 I and II Secy

32 Hon'ble Premier

33 Communicated to the Secretary to Government, Public Works Department for information

Note—Contn. sheet.

Regd vide endorsed No 2913(837) E/24

6/24 11

G. R. S III 2)

General and Revenue Secretariat

Mil File No. 127 of 1923

Serial No	
	34 Reply from the Presdt, City Mil Cl, Bangalore not yet received He was reminded today. File is resubd with refce to para 32 above. HPK 27/5/24. (Holberry) ND 27/5
	35) Await reply — 27/5
	From, The President City Mil Cl Bangalore No 205 dt 4/6/24 Re ad interim reply
Dno 6644 4/6/24	36) Subd for perusal 37 The letter of the Hon'ble President ~~does~~ does not indicate clearly whether the suggestions of the Chief Engineer should be considered It is stated that the proposals of the Rest Committee appointed by the Council & the suggestions for improvements of the Mount Pleasant will be placed before the Council The President may perhaps be requested that
	HPK 5/6/24

NOTE—Contn sheet.

6808

(G. R. S. III 2)

General and Revenue Secretariat | Next File No. 1- of 1923

Serial No.

that for hope that the suggestion of the Chief Engineer will also be considered specially.

2 d Dec) 29 Yes Intimate above

29 Draft as me

1. a 2) 29

6822

Draft Subd

29 6/24

41 Done

29 6/6

6 To the President Port Trust Calcutta
No 9230 dated the 16 6 1924.
Request to place the suggestions of the Chief Engineer before the Municipal Council & report their views in the matter.

x 6808 4 Subd As at above reply stating the question will be placed before a special meeting the convened soon after the holiday session of the B.A is closed on May the receipt of the reply be awaited to the end of the month.

29 6/6

17/6

CENTRAL REVENUE SECRETARIAT
13 JUN 1924
INWARD REGISTRY
Note—Contn. above.

G. R. S. 11] 1924-25

GENERAL AND REVENUE SECRETARIAT

(RL ,)

NOTES

File No. 751-24

FILE HEADING

Improvement to the supply of water supply in the city of Bangalore

From

The Executive City Municipal Council, Bangalore

Memo No. 123/24-25 Dated 19/2/25 Received 23/2/25.

Diary No. 6042	Enclos. -	Spare Copies.	Serial No. 5

BRIEF ABSTRACT OF LETTER

Submits for information a copy of the resolution of the City Council unanimously accepting the recommendations of the Chief Engineer to immediately duplicate the Rising Main, between the Pumping Station and the Combined Overall Fields and suggesting ways and means for financing the scheme.

NOTES AND ORDERS.

It is the usual scheme costing about Rs 15/- Lakhs is proposed to be financed by on the floation of a loan.

Before any further orders are passed

Notes—First Sheet.

Serial No.

Govt are required have been to declare--

1) That the Loan (repayable in 3 years) has to be ~~borrowed~~ by Govt carrying interest not exceeding 5% per annum

2) That the Govt should make free contribution of one-4 the Loan.

3) That the Chief Engr has to be requested to take up at once the duplication of the Rising Main

4) That the entire Water Works has to be handed over to the Municipal Council only after fully ~~Completion~~ completing the improvements so that the control may vest entirely in the Council from 1st July 1926

47 In order to meet the Sinking Fund Charges and interest on the loan, the Council have resolved to enhance certain existing taxes and tolls and to levy additional taxes with effect from 1st July 1925 An additional (income) of Rs 96000 is expected to be realised from the sources and that the extra amount is proposed to be utilised towards Sinking Fund and interest

NOTE—Contn Sheet

Serial No.

and the balance, if any, will be set apart for meeting the cost of renewals and depreciation charges.

The existing taxes to be revised and those to be newly imposed have been detailed under Resolution VI of the Rural Council accompanying G.O.Ms. No. 2542-46 Fin. 131-24-3 dated 22nd June 1925 and Pongalada cess of the Rural Council should have been devoted to meet the extra charges of the Water supply wing effect from 1st July 1925.

The Rural Council want the Govt to make an advance of Rs 3½ lakhs but only Rs 1½ lakhs required to the purpose and they have a loan at 5% for the balance.

The Financial Secy has to be consulted in the matter.

Submitted for orders.

This is also a copy of the letter addressed to the Govt. Advocate General requesting him to advise and take action on the Rural Council's address to the Govt Secy.

3/3/1925

(M L Secy)

3/3/25

(J McPherson)

P P

(13998)

15)

Serial No 56)

Subject The file is before the Chief Secy & and it is too early to say what orders will be passed The d S & Br may meanwhile take action on points 1 2, +3 of the note for orders above.

with 2 of this

Apart of them a political question will be in the Branch The C+M Station has some control in the waters works and it may not be possible to vest the entire control in the Cy MI Cl

FRB 3/4/25 FRS 3/4

67 Points 1,203 may be dealt with in the d S & Br

Dew 3/4

(Ch Secy)

58 For perusal Points 1 to 3 may advance be up for consideration in the d S & Branch, in consultation with the Pl Secy

Dewan)

M 5-4-25

File No of 19 General and Revenue Secretariat.

Serial No.

I XII

URGENT SUBJECT - C 424

59 Municipal Council's proposals for raising loan etc., for Bangalore City Water Supply

...

OPINION OF THE COUNCIL.

7. Note
L & L Secy to note instructions and obtain opinion of H Secy The papers may then be circulated (Need not be submitted to Dewan before Circulation)

M
23 4 25

To L & L Secy with Compliments

M
24 4 25

24 4

Serial No

N O T E

61) In para 5(1) nd (3) of Government Orcr No L. 6058-65/M1 176-19-25, dated the 19th pril -- 1922, it was directed th t the entire mainten nce ch rges for the Water Supply to Bangalore City -- should be borne by the Municipal Council from st July 1924 and that in the meantime steps should be t~ken by them to raise their ater t~x so as to -- bel~nce their income nd expenditure

62 The City Municip l Coun~il, B~ng lore, as accordingly c lled upon to submit definite proposals in the m tter of r ising the water tax

63 The President reported in December 1922 th t the Municip l Council at their meeting held on the 16th December 1922 pas ed a resolution that owing to the depressing conditions then existing, the recommendation of the Speci l Committee appointed in -- Government Order No 1001-6/M1 176-19-1, dated the 9th March 1920 nd contained in para 2(4) of G O of the pril 1922 might be brought for consideration of the Municipal Council for being given effect to fter the lapse of the period of six -- years from July 1920 fixed by the Committee (i e July 1926), if the Municipal finances would improve

64 Thereupon the President of the City Municipal Council, B ng lore, as informed in June 1923 that Government would not see any reason to reconsider the orders already issued by them in the -- matter with the request that prompt steps might be taken to revise the e isting rate of ater tax and to improve the income of the Municipal Council from other sources

Serial No

65 In his letter No 150/25-24, dated the 6th March 1924, Mr B K. Garudachar, the then President of the Municipal Council, reopened the question of the reconsideration of the orders of Government referred to above and of giving the Municipal Council further time up to 1st July 1926 to take up entirely the maintenance charges of the Water Works upon themselves, as the existing financial condition of the Municipal Council was far from satisfactory on account of the fall of revenue chiefly under Octroi on account of trade depression and water taxes on "buildings and lands" consequent on the fall in the rental value of buildings

66 In the meantime the Chief Engineer submitted a Note to Government suggesting the following ways and means enabling the Municipal Council to find additional income of Rs 1,32,000 for meeting the full maintenance charges of the of the Water Supply from the year 1924-25

1 Increase in the water rate from 5% to 6%

2 Reduction in the Electric Power charges from 6 annas to 5 annas per B T U as before

3 Changing of varying rate for house - - connection from R 1 to Rs 3 p m according to rental value of buildings instead of the existing practice of water consumed

67 The President of the City Municipal Council, Bangalore was requested to place the above suggestions of the Chief Engineer before the Municipal Council and to submit their views thereon

Serial No

6 In the meanwhile the Chief Engineer in his letter No B. 15005, dated 24th/25th June 1924, requested Government to issue instructions to the City Municipal Council, Bangalore to make necessary provision in their budget for the current year (i e , 1924-25) for the annual maintenance charges of their water works in pursuance of G O of the 19th April 1922

7 In view of the fact that the City Municipal Council of Bangalore, were unable to bear the entire maintenance charges of their water supply -- during the current year, Government directed in their Order No L 5248-46/M1 101-24-3, dated 22nd January 1925 that the maintenance charges in the current year be borne from State Funds, and that the Municipal Council of Bangalore be informed that the order of 19th April 1922 requiring them to bear the whole charges would be enforced from 1st July 1925 and that no further delay -- should be allowed In para 3 of the said order the Municipal Commissioner, Bangalore City, was requested to submit at once the views of the Municipal Council on the recommendation of the Chief -- Engineer in regard to the additional income of Rs 1,32,000 required to meet the full maintenance charges of the water supply

8 In pursuance of the G.O. of 22nd January 1925, the Chief Engineer has forwarded with his letter No 14358, dated 17th [illegible] 1925 the following list of urgent works proposed to be undertaken during the next year in connection with the water supply to Bangalore

NOTE—Contn Sheet

City nd has requested the issue of needful -- orders to the President of the City Municipal -- Council, Bang lore, to include the provision in their budget for the next year

Serial No	Original works	Grant for 1925-26 Rs
1	Replacing a portion of the Masonry duct by steel pipes	8,000
2	Increasing the capacity of Hessarghatta tank	1,00,000
3	Installing 70 H P Electric pumping at Combined Jewell Filters	5,040
4	Improvement and extension of pipe lines for bathing -- ghats	20,000
5	Erecting 6 G I T nks on the existing balancing tanks in Chamrajpet to improve water supply to higher location.	3,500
6	Improving water supply in Arlepet	8,930
7	Purchase of Venturi Meter for the Combined Jewell Filters	4,650
8	Increasing the capacity of storage tanks by another million gallons at the Combined Jewell Filters	5,000
9	Laying a sub-main in Gavipur Road	5 700
10	Installing five Hydrants in the City	22,000
11	Duplicating the Rising Main from Soldevanhalli Pumping station to Combined Jewell Filters	6,60,000
	Total original works.	8,42,820
	Repairs	
12	Annual maintenance charges of Pumping station and distribution	1,59,148
13	Annual maintenance of Combined Jewell Filters	55,000
14	Establishment charges	23,940
	Total repairs	2,38,088

NOTE-Contn Sheet

Serial No.			
	Tot l rep irs		2,38,088
	Deduct		
	1 Contribution from C & M Station	2,9000 2,500	
	2 Contribution from the District Boa rd for Road maintenance	250	
	3 Contribution from the Military Department for road mainten nce	438	
		------	29,688
	Net rep irs		2,08,400

71 The C & M St tion has lso urged the necessity for the Improvement of the e isting sy tem of water - - supply (Vide this office letter No G 6030/P P 30-24-10, dated 4th Febru ry 1925)

72 With reference to the G O of the 22nd Janu ry 1925 and with reference to letter No 6030/P P 30-24-10, dated 4th February 1925, the Municipal - - Council have submitted a scheme got up in consultation with the Chief Engineer for duplicating the Rising M in bet een the Pumping St tion and the Combined We ell Filters at a cost of Rs 10 lakhs

73 The hole scheme depends entirely on the - - flo tion of a loan not exceeding Rs 10 lakhs The main fe tures of the scheme are as follows -

1 th t the loan amount less Government gr nt to be r ised by Government c rrying inter st not exceeding 5% pe annum and made repay ble in 30 years from the date of the raising of the loan and formation of - - sinking fund therefor by p yment into -- Bank approved by Government and Council of a sum necessary out of the dditio l - - revenue expected from the change proposed

2 that Government should be pleased to make

NOTE—Contn

Serial No.

a free contribution of one-third of the loan in view of the fact that the -- Municipal Council agreeing to meet a major portion of the capital charges of -- Rs 10 lakhs and agreeing to meet its repayment both principal and interest from its own slender resources

3 that the Chief Engineer may be requested to take up at once the duplication of the Raising main, and

4 that the entire water works may be handed over to ~~the~~ the Municipal Council only after fully completing the improvement so that the control may vest entirely in the Council from 1st July 1926

2. In order to meet the Sinking Fund charges and the interest payable on the loan, the Municipal Council have resolved to levy certain additional taxes and to enhance certain existing taxes and tolls with effect from 1st July 1925 and -- they are detailed below. The Council expect to realise an additional revenue of Rs 96,000 by the said revision of taxes and by the imposition of fresh ones, which amount is ~~is~~ said to be primarily utilised for Sinking Fund and Interest charges and the balance, if any, will be funded separately for meeting the cost of renewals and depreciation charges.

A. Imposition of New Taxes -

(a) Taxes on coffee hotels, Messing hotels Private cart-stands, private markets

(b) Taxes on Cinemas, Dramatic Performances, Circus etc

NOTE—Contd Sheet

Serial No.

B Revision of existing taxes and tolls.-

(a) Enhancement of the water tax from 3% to 4½% on the rental value of the buildings from 3/5th per cent to 1% of the building tax in the case of vacant sites; and in regard to buildings used as shops and Mandies from 1% to 3% on their rental value

(b) Enhancement of tax on vacant sites from 4 annas to 8 annas per 200 sq-yards

(c) Doubling toll rates on vehicles and animals as follows -

(1)	On every pukka or cart drawn by men, bulls bullocks, horses, asses or mules (laden) from	2 As	to	4 As
(2)	do (unladen)	1 "	to	2 "
(3)	On every Motor Car.	4 "	to	8 "
(4)	do Motor Cycle	2 "	to	4 "
(5)	do Jinriksha	2 "	to	4 "
(6)	do bicycle or tricycle	1 "	to	2 "

C Revision of Water House Connection charges

(1) A flat rate of 4 annas per month may be levied as a charge for every house connection already given and to be given, the excess water charges being also collected, provided that the existing minimum house assessement fixed for a house connection be abolished, other conditions remaining the same.

(2) the excess water charge be raised from 12 annas to Re 1 for every 1000 gallons

NOTE—Contn. Sheet

Serial No.

(3) No free allowance of water should be allowed to Government institutions from 1st July 1925.

(4) In the case of Government Institutions enjoying a free allowance, a concession rate of 8 annas per 1000 gallons for all water ~~consumed~~ by them be charged

(5) In cases where no such free allowance is now being enjoyed, a rate of 12 annas for every 1000 gallons be charged from 1st July 1925.

7. The Municipality has got power to regulate water rate on Government buildings also as the exemptions ~~accorded~~ under Proviso (a) to Section 59 ~~by~~ Government Buildings in regard to taxes in a Municipality does not apply to Sanitary Cess and Water rate (Vide clause (b)(viii) of the said Section, ~~as regard to superstructure of water tax~~)

8. The suggestions of the Chief Engineer was to increase the water rate from 3% to 6% and to fix a varying rate for water consumption from Re 1 to Rs 3 on the rental value of the buildings

9. As items (A)&(B) involve the revision of the existing rules and Bye-laws, the Municipal Council have ~~taken steps~~ stated that they have as required under Section 60 of the Municipal Regulation, taken preliminary steps of publication in the Gazette inviting the opinion of the public thereon. They have then to be submitted to Government for sanction ~~by the Madras Corporation of the Council to which this rule (a).~~ ~~The proceedings here may be sanctioned may be withdrawn or perhaps~~

NOTE—Contn. Sheet

Serial No.

77 Item (C) involves ½ changes to be made in the existing Water Supply Rules issued by Government in the P W D. and the rules sent up in the matter are under consideration in that Department.

78 The Chief Electrical Engineer is not for reducing the schedule rate for Electric Power as proposed by the Chief Engineer from 6 annas to 5 annas per B T U.

79 As regards (1) and (2) of para supra regarding the floation of the loan of Rs. 10 lakhs the Financial Secretary has to be consulted. In this connection it is to be stated that in G O No. E 2469-72 & 176-12-27 dated 3/13 Sept 1922, it is directed that the capital cost of the City Water Works have to be borne in future by the Municipal Councils.

80 The provision of maintenance charges by the Municipality during the year 1925-26 as required by the Chief Engineer has also to be considered

27.4.25 [illegible]

27/9. 29-9

General and Revenue
Secretariat

Serial No

NOTE—Contn Sheet

Finance and Revenue Secretariat

File No 127 of 1923

Serial No

[illegible] Secretary [illegible] for Consideration

[illegible] Secretary

[illegible] for a sum as per [illegible]

SECRETARIAT FC 2483 1925

85 The main question discussed in this file is how the Municipality should provide a sum of Rs 10 lakh required for improving the Water Works. Of this demand Rs 6 60 000 is for duplicating the Main from the Soldevanahalli Pumping Station to the Combined Jewel Filters The balance of about Rs 3½ lakhs represents I think the Municipality's share of the cost of increasing the storage of the Reservoir and of constructing a new Duct

86 The Municipality's proposal for finding this amount is as follows -

(i) Government to give a free grant of one-third of the amount

(ii) The balance of two-thirds to be advanced by Government as a loan carrying interest "not exceeding 5 per cent"

(iii) A sum of Rs 36,000 is proposed to be raised from new taxes and fees for meeting the interest and Sinking Fund charges of the loan

Note—Contd.

Serial No.

At is not possible for Government to make any subvention for this work for the reason that they have no surplus to be devoted to any such purpose The entire capital of the Water Works has been provided by Government and the annual deficit on the operation account is also being borne by them It is not also fair, in such circumstances, for the Municipality to expect Government to bear any part of the future capital outlay of this scheme

I find from the Administration Report for 1923-24 and the Budget Estimates of the Municipality for 1924-25 that the Municipality will have, on 1st July 1925, a balance as under -

Balance on 1st July 1924, vide page 3 of the Administration Report for 1923-24. Flag A	Rs.8,54,785
Deduct Excess of total expenditure over total revenues of the year according to the Budget Estimates Flag B	Rs 1,30,825
Balance.	Rs 7,23,960

I do not know how it is intended to utilise this large balance The demand on account of the Water Works should, I think, in view of its nature have the first claim on the bulk of this amount I do not think other works for which this balance may be intended, can compare with the requirements of the Water Works either in point of urgency or importance If there are any sanctioned estimates, for the execution of which this amount is intended, I think, they have to lie over so that preference may be given to the demands of the Water Works.

NOTE-C-

Serial No.

it is hardly ~~fair~~ right that the Municipality should think of borrowing when it is in possession of large ~~xxx~~ balances I would for these reasons suggest that a sum of Rs 6 lakhs out of the cash and invested ~~balances~~ of the Municiaplity be spared for the Water Works Even after this divertion the Municipality would still have a lakh and a quarter and it should suffice for meeting the other urgent demands if any to which ~~the Municipality~~ it is committed

9b The balance of Rs 4 lakhs may be given as a loan by Government

91 The request of the Municipality that the Government loan should carry interest "not exceeding 5 per cent" cannot be complied with It is ~~not~~ not possible to raise money at 5 per cent Taking the present quotations for Government Bonds, it will be seen that the rate of interest exceeds 6 per cent and the Mysore District Board was able to float a loan a few months back only at 7 per cent Considering the fact that the application is for Water Works and that the Municipality has come forward to make a beginning in assuming its responsibility for such works I think the rate of interest may be fixed as a concession at 6 per cent

92 As regards the discharge of the loan, the Municipality may be required to repay it in eight annual instalments of Rs 50 000 each It is not necessary as proposed by it that the Sinking Fund

Sinking Fund should be invested in a Bank to accumulate for redemption of the entire loan in a lump sum after the expiry of this specified period. As the loan will be given by Government, it may be repaid in instalments year after year as proposed above 93 The Municipality proposes to find a sum of Rs 96,000 from new taxes and fees Out of this new resource it may be required to meet the interest and instalments of the loan and set aside the balance towards meeting the annual maintenance charges

94 As regards the taking over the operation of the Water Works the proposal of the Municipality is that "the Works be handed over to the Council only after fully completing the improvement so that the control may vest entirely in the Council from 1st July 1926" The transfer of the Water Works and of the connected financial responsibility has already been delayed The Municipality should according to existing orders have had to relieve Government of this burden from 1924-25 It however pleaded its inability to do so and Government while excusing it for the year 1924-25 asked it to take over the Works from 1925-26 The present proposal amounts to the deferment of the arrangement for another year Even if it is delayed for another year I do not see any prospect of the Municipality being able to take over the Works and meet the deficit on the operation account ~~of the Works~~ The Budget Estimates of the Municipality for the current year result in a deficit of Rs 43 000

Serial No

NOTE-Contn Sheet

Serial No.

Rs 43,000 taking the normal revenues and ~~[illegible]~~ normal expenditure The additional revenue it proposes to raise from new taxes and fees will only meet the demands on account of interest and instalments of the loan proposed above and leave a small amount towards the maintenance charges of the Water Works The annual revenue expenditure of these ~~[illegible]~~ Works, excluding depreciation and indirect charges, comes to about Rs.2 1/3 lakhs and against this deficit the only present resources are the following -

The figures are approximate

Water Tax	Rs.[illegible],000
Excess Water charges.	Rs 40,000
Contribution frgm C & M station	Rs.35,000
T o t a l	Rs 1,25,000

It will thus be seen that there ~~[illegible]~~ is still a shortage of about a lakh and the Municipality has not suggested any method for finding this amount for taking over the maintenance and operation of the Water Works This is an important and urgent matter and it is, I think, necessary to request the Municipality to take it up for serious consideration with ~~[illegible]~~ delay

To S & H Secty
Plan + Estimate sanctioned
shown thereon
Exec Engr
11/5/25

11/5/25

Rs 1,25,000

Chlorination Works.

Submit for perusal, before correlation as above

Secty-Contn. Sheet

Exec Engr (Waterworks) 15/5/25

15/5/25

G.R.S. III-21 File No. 1857 of 19 28 General and Revenue Secretariat

Serial No.

Memorandum a draft Notification

(in) Draft is sent for information

Leaf 2 Weekly

Notification

to be

Sd/ 7

To the Executive Engineer Bangalore City Water Works

Calls for certain additional information as regards financing the Scheme of water supply to the city

Chairman

C S Circulate

I would suggest information be also obtained from the Chairman as to the reasons for the short-fall as a whole for Rs 7 23,760 as the credit balance of Rs 7 23,760 as the credit balance of Rs 7 23,760 as the credit balance of

General and Revenue Secretariat. | R.C. File No. 127 of 19 25

Serial No

[illegible]

[illegible] OFFICE
[illegible] MAY 1925
[illegible]

10

2 The Chief Commr. Bangalore
No. 8439 dt. 27/5/25
Suggests that a sum of Rs. 6 lacks
out of the closing balance of the
Municipality may be utilised for
improvement of water works and also
for the removal of the silt on this point

8 Letter No. 1136/25-26 dt. 25/26. 5. 25 from the
Chief Commr. Bangalore
Submits a copy of the resolution of the
Municipal Council sanctioning Rs. 6 lacks
-tion to take over the maintenance of the work
from 1st July 1925, within which tank they also
Govt. Govt. may vide on the maintenance under
a scheme for providing maintenance and
protection charges, Rs. from the municipality fr.

Note—Contn. Sheet

Serial No.

from the improved water supply scheme, from the
Government of General expenditure now incurred
by it on the roads and other heads of a general
nature be made.

(iii) The Local Council plead their inability
to meet the maintenance charges from 1st
July 1925 as decided by Govt, unless a block
on the above Road they are prepared to take
over the maintenance and operation of
the roads from 1st July 1926 provided proposed
improvements are completed and Roads are
to them by that date. It is further stated
that the exception of depreciation and in-
terest charges, are cannot, for the present
foreseen, exceed the amount during the year
1926-26 and that the deficit of about Rs
in working
the Cutchery can be met by Govt, by
Grants, as part of the P. W. Budget.

Submitted for orders with regard
proposals before. The estimated expenditure which
the Govt commit no loss in the
26-8-25.

Note—Cont. Sheet

General and Revenue Secretariat

File No. 127 of 19 23

Serial No

114 The file relating to the discussions with the Municipality of Bangalore for financing the improvements to the Water Supply Works is put up

115 The note in the file (Flg E) contains a full history of the case from the Government Order of - April 1922 in which the Government ordered that the City Municipality should bear the entire maintenance charges of the Water Works from July 1924 Owing to the financial condition of the Municipal Council, the question of giving effect to the Government Order of April 1922 was postponed till the 1st of July 1925 As regards Capital Works Government decided that all future capital expenditure on account of Water Works should be met by the Municipality (Flg) The - position, thus is, that in future all Capital & Rev expenditure on account of ~~maintenance of~~ Water Works should be met by the Municipality

116 The existing water supply available in the Hesargatta ~~Reservoir~~ has been found to be inadequate to meet the requirements of the C & M Station and the City Frequent rationing ~~has~~ had to be resorted to in both the areas more especially in the City The question of improving the storage has been considered and as a result of discussions with the Resident, the technical portion of the question viz the works that should be undertaken to secure the improved supply, has been settled The main ~~discussions~~ clauses are - (1) that the storage in the Hesargatta Reservoir should be increased by raising the weir by 5 feet a

Dentry Sheet

Serial No. X

Information obtained from Ch. C. Rly. Secty

at a cost of 2¼ lakhs (11) That a new closed conduit should be built, up to Tharabanahalli at a cost of 4½ lakhs This means a total expenditure of 6¾ lakhs, half of which will have to be met by the Durbar and the other half by the C & M Station and the Military Authorities

11) In February last a reference was made from the Chief Secretariat to the City Municipality informing them that improvements necessary to the Water Works would require a sum of about 10 lakhs and inviting proposals as to the manner in which they proposed to meet it The calculations in that letter show that the sum 10 lakhs was made up of - 8 lakhs on account of duplicating the rising main and 1¾ lakhs on account of the works to be financed jointly by the Durbar and the British Government With reference to the Chief Secretary's letter, the Municipal Council have formulated proposals as to the manner in which the 10 lakhs may be found These proposals are dealt with in the file Further information as regards certain insufficiency in the resources pointed out to meet maintenance charges and also as regards the diversion of funds available at present instead of raising a loan has been called for

11) In the light of the understanding arrived at between the technical advisers of the Durbar and the Engineers of the British Government the amount that will have to be found by the Municipality will be

Serial No.

as follows -

1 Works common to the C & M Station and the City -

Rising weir of the Hesargatta Lake by 5 feet	2¼ lakhs
New pipe from this sluice to Tharabanahalli	4¼ lakhs
	6½ lakhs
Half of this viz , will have to be met by the City Municipality	3,25,000
11 Duplicating the rising main	6 60,000
Total -	9,85 000
Or roughly	10,00 000

19 It is to be noticed that although the recent decisions require the Municipality to pay for half the - cost of the common duct also the total amount required will be the same as before - i e , 10 lakhs This is due to the fact that the sum required of the Municipality was 10 lakhs in round figures, whereas actually the amount required was only 9¾ lakhs Again, in our demand to the Municipality the cost of the rising main was taken at 8 lakhs, but the Chief Engineer's later estimate gives the figure as 6 60,000 The reduction in the estimate is understood to be due to the fact that steel pipes are proposed to be used instead of cast iron pipes If the decision to use

NOTE—Contn. sheet

G R S. III-2]

General and Revenue Secretariat. File No. 67 of 19 25

Serial No.

cast iron pipes is arrived at, it will involve an additional expenditure of 2 lakhs and to this extent capital requirements will be enhanced

6 12a The question of the City Municipality financing the capital expenditure on account of the Water Works and also undertaking the annual maintenance has been under consideration for a long time past The decision definitely to transfer the maintenance of the works to the Municipality was made in 1922 and a time limit was indicated within which the transfer should be effected In spite of this the Municipality has not been able, until recently, to make a move to give effect to the order of Government The Municipality now suggest that all necessary works may be executed and the water supply scheme placed on a satisfactory footing before the 1st of July 1926 and that they would take over the works from the 1st of July 1926 They have formulated proposals both for financing the capital works and for providing for the cost of maintenance In view of the fact that the Municipal Council have formulated concrete proposals and also of the substantial relief to the Government by the transfer of the works to the Municipality it appears necessary, to view the proposals of the Municipality favourably

12 I The proposals for orders are

1) The proposals for remission of Loans

Note—Contn. sheet.

General and Revenue Secretariat.

File No.

of 19

Serial No

G.S.S. 111-32

WD 2119—GPB—10.000.

General and Revenue Secretariat.

File No. 127 of 1923

Serial No.

DEWAN'S C—
15. JUN. 1925
Reg. No. 9 2 [illegible]

Note—Cover Sheet

EXECUTIVE.

Office of the Dewan of Mysore.

3 Minister)

NOTE

Dated. 20th June 1925

The draft order may be circulated to the Council together with a copy of the letter received from the Residency regarding their proposals The matter should be taken up at a very early date

The ~~subsequent~~ communication ~~from~~ the Residency ~~on the 2nd June~~ may be referred to to amplify the draft if necessary ~~the~~ The previous history has to be given in detail to ~~his~~ show how generously the Municipality has been treated in spite of clear orders of Government, and the object of the present proposals have to be explained a little more in detail The Municipality apparently agrees to increase its ~~resources~~ resources from productive works to pay the extra expenditure involved according to their proposals

Local & Legislative Secy I. Govt
with Compliments

32

76074

G.R.S. III—8]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

The Council meeting having been adjourned to Monday, 29th, at 12 noon, the Bangalore Cy- Water-supply File (All Section) is sent back herewith for purpose of completing the scrutiny of the draft & and return of the file before this evening

To L & L Secy (Miss Cumbell)

29 6.25-

(Correspondence with Mr Henderson mentioned in para 17 of the draft. Mr Joseph has also been employed with reference to Mr Chief Secretary's letter of 3rd June 25 & Copies of letters to Henderson are also perhaps in L & L Secy)

29/6

Chief Sec'y with comp 15

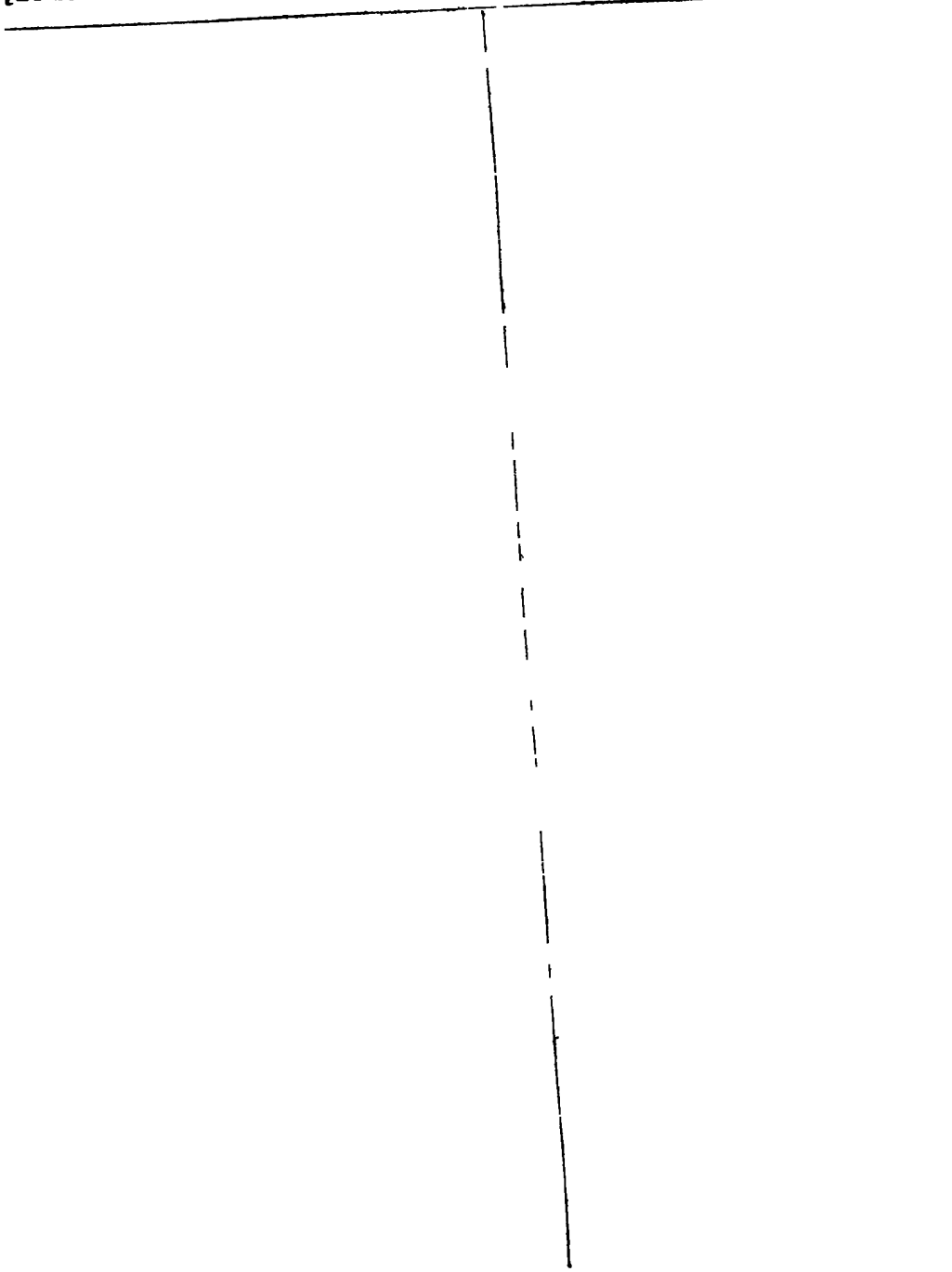
29 6

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form

G R S III—3]

Routine Notes

[To be used only for notes, requisitions, etc not intended for permanent record.]



N B — Should routine notes be written on small slips the notes must be copied or slips pasted on this form.

(32)

C 84 24

No Cossendra on 29-6-25
Ordered to be circulated
for next meeting -
29-6-25

Circulate above
30 6 25

URGENT SUBJECT - 3

Financing of Bangalore City Water-supply Improvement works by the Municipal Council

OPINION OF THE COUNCIL

I desire that in the file
Copy of the letter received from the Resident
referred to in the Government memorandum
of 20/6/25. This may be perused
by
30.6

A copy is placed in
the file -
30 6 25

5/7

Secretary's
by
1.7

Although Government had more than
once ordered the circulation of this file,
I got it only after 5 P.M. yesterday, &
in the absence of the original
Contract between the Govt & the C.W.S.S.
Co., am not able to give a considered
opinion from the available papers. I
beg to note as follows -
I am unable to trace the Resident's
letter of 3rd June 25; & am enclosed to
agree with the Hon'ble Revenue
Member that the Revenue
should be spent on this scheme, with a
grant from Govt. & a small loan &
this source of income will have
the increased remunerative
I am not clear whether the

(43)

proposed draft clearly distinguishes
between 10 cases as per Rendel's
letter ~~dated~~ (which includes coarse waste war etc)
& workhouses all the items released
by the para 7 of the note. & all these
are the known left. the Board may also be
more than 10 cases

The draft should state more
clearly the total loss to Govt as
per Comptroller figures, & the
orders issued by the para to have
prime effect Simultaneously. Thus

Roe
27/7/15

(84)

C424

Extract from the Proceedings of the 742nd *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the.* 2nd July 1925. *19*

2. Subject. - Clause xii of the schedule.

Financing of Bangalore City water-Supply Improvement works by the Municipal Council.

OPINION OF THE COUNCIL.

The Bangalore water Supply Improvement Scheme including the joint scheme of the Civil & Military Station towards which the Civil & Military Station will contribute half-share, may be approved.

The Government may give a grant of one-third the total estimated cost of the scheme relating to the Bangalore City provided that -

(1) The Bangalore Municipality finds the remaining two-thirds of the cost, out of their own resources, as follows:- two lakhs from their Cash reserve, and the balance of the two-thirds share as a loan from Government

P. T. O.

"EXTRACT"

Chief Secretary to Government.

WD 1471—SPB—2,000—1-8-25

at 5%, to run for a period of 25 years.

(2) The Municipality to provide for sinking fund and interest charges out of their current revenues.

(3) The Municipality will take over completely the maintenance from 1st July 1926, and undertake to bear the whole maintenance charges from that date.

(4) The Municipality shall submit a scheme shewing the ways and means for complying with the above two conditions, specifying the additional resources on which such a scheme is based.

(Signed) A R BANERJI,

Dewan of Mysore

Note - Municipal Budget file to be submitted along with this

"Extract"

Chief Secretary to Government

S 12]

7604. 1594 ws

neral and Revenue Secretariat

File No

of 191 1424

Subject - Financing of Bangalore City water-Supply Improvement works by the Municipal Council

Extract from the Proceedings of the Council is put up

Forwarded with compliments to the Financial Secretary to Government under paragraph 9 * of the Government Order No G 17572 8—G M 676 17 1 dated 22nd June 1918

By Order

Chief Secretary to Government

3/7/25

To L & L Secy, with compliments,

3 7 25

3 7

A draft memorandum with a draft order further revised are submitted as directed in the Council resolution, the Bangalore City Municipal Council budget is also submitted herewith. The suggestions offered are found in the file. A paper has been added a number regarding the revision of taxes proposed by the Municipal Council

L & L Secy)

A draft G.O. by the Board is returned after the resolution of the Council is passed. The Municipal says that Council will not be able to pay more than 1 lakh out of the revenue No 2 in the budget. The Council has proposed five improvement works & some of these works are remunerative. Of this work only 4 lakhs

8/7/25

Serial No.	
	According to the note added to the resolution of the Council, Bengali is to be submitted along with the file. Draft Regulation will be revised according to the instructions of the Dewan to be given today. Dewan

B65WD 0531

GRS 111-21

General and Reven
Secretariat

File No

of 19

Serial No

NOTE—

Submitted to His Highness.

With the approval of His Highness the Maharaja of Mysore, the following orders were issued in Government Order No L 6058-65/ Fl 176-19-25 dated the 19th April 1922 regarding the policy to be adopted in respect of the maintenance of water supply systems in the Cities of Bangalore and Mysore -

(i) The entire charges for water supply to Bangalore City should be borne by the City Municipal Council from 1st July 1924 For the year 1922-23, the Municipal Council should pay over the entire collections under water rate and excess water charges Half the deficit, if any, in the year 1923-24 should be borne by the Municipal Council in that year and the entire charges will be transferred from 1924-25

(ii) As regards Mysore City, a contribution from Government will be granted as a special case, for a period of two years from 1922-23 to meet the deficit, if any, but the City Municipal Council should bear the entire cost of the water supply system of Mysore City from the year 1924-25

(iii) In the meantime, steps should be taken by both the Municipal Councils to raise their rates of water-tax under Section 59 of the Mysore Municipal Regulation so as to balance the income and expenditure

(iv, All arrears yet to be collected and paid to Government should receive prompt attention of both the City Municipal Councils and a report should be made to Government on 1st July 1922, showing the Demand, Collection and Balance

As regards capital cost, Government, in their Order No 2469-71/ F1 176-19-27 dated the 13th September 1922, directs that the capital cost of all future developments of the Water Supply Scheme in the Bangalore City should be borne the Municipal Council

In December 1922, the President of the City Municipal Council, Bangalore, reported that owing to the depressing conditions then prevailing, the recommendations of the Special Committee appointed in March 1920 to bear the entire maintenance charges might be considered after the lapse of 6 years from July 1920 This proposal was not accepted and the President was accordingly informed that the orders of April 1922 could not be re-considered

Under the orders of April 1922, the Municipal Council had to provide in their budget for 1924-25 for the entire water supply charges But owing to the fall in Octroi revenue on account of depression in trade and other circumstances, Government, in their Order No L 5242-46/M1 131-24-3 dated the 22nd January 1925, directed that the whole of the maintenance charges should be paid by the Municipal Council from the 1st July 1925 and that this should be enforced from that date

The existing water supply available in the Hessarghatta Reservoir has been found to be inadequate to meet the present requirements of the City and the Civil and Military Station, and in consequence, frequent rationing has had to be resorted to in both the areas The question of improving the storage has been considered, and as a result of discussion with the Residency it has been found that the following main capital charges have to be incurred to work the system satisfactorily in addition to some other minor works to be executed by the Bangalore City Municipal Council themselves to meet certain local requirements -

1. Work common to the Civil & Military Station and the City

(a) Raising the weir of the Hessarghatta tank by 5 feet	Rs 2½ lakhs
(b) New pipe from the sluice to Murabanahalli	4½ lakhs
Total	6½ lakhs
Half of this to be met by the Municipality amounts to	Rs 3,25,000

City

2 City Works

Duplicating the Rising Main	Rs 6,60 000
Total	Rs 9,85 000 or Rs 10 lakhs roughly

The City Municipal Council of Bangalore who were asked to provide for the capital cost as detailed above and the maintenance charges from 1st July 1925 have after consideration of the present scheme and in consultation with the Chief Engineer, submitted the following proposals with a programme of works to be carried out for the improvement of the water supply -

(1) That a loan not exceeding ten lakhs of rupees should be floated for the purpose

(2) That the loan amount (less Government grant) to be raised by the Government should carry interest not exceeding 5 per cent per annum and made repayable in 30 years from the date of the raising of the loan and a sinking fund be formed therefor by payment into a Bank approved by Government and the Municipal Council of a sum necessary out of the additional revenue expected from the changes proposed

(3) That the Government should be pleased to make a free contribution of one-third of the loan in view of the fact that the Municipal Council have agreed to meet a major portion of the capital charges of Rs 10 lakhs and agreed to meet its re-payment-both principal and interest-from its own slender resources

(4) That the Chief Engineer may be requested to take up at once the duplication of the Rising Main

(5) That the entire water works may be handed over to the Municipal Council only after fully completing the improvement so that control may vest entirely in the Council from 1st July 1926

In order to meet the Sinking Fund and interest charges payable on the loan, the Council have resolved

levy certain additional taxes and enhance the rate of certain existing taxes and tolls with effect from 1st July 1925 and from these items they expect to realise an additional revenue of Rs 96,000

The question as to why the Municipal Council should not be asked to utilise a sum of six lakhs of rupees out of their reserve deposits for the proposed improvement works has also been considered and the President Municipal Council has stated in reply that the diversion of the funds in their hands would be inexpedient inasmuch as it would not only disable the Municipal Council from holding a little margin of fluid cash in their hands which is necessary for a Metropolitan City like that of Bangalore to meet immediate and unexpected demands that may arise but would also have the effect of making the present generation pay in one lump-sum for what would also be enjoyed by future generations and on whom a portion of the burden should therefore fall

The past history of the scheme has been given in detail in paragraphs 1 to 11 of the draft Order

It will be seen therefrom that though the Government wanted to recover at least a portion of the capital cost from the Municipal Council from the beginning they could not do so owing to the scanty resources of the Municipal Council The Municipal Council have now come forward after 30 years of fruitless discussion to meet the cost of improvement found necessary to provide adequate water suppl by raising a loan and have also sent up proposals for improving their revenue for the re-payment of the loan and to paying the maintenance charges from next year

C.S. Immediate Secretary Cleary present The matter was therefore carefully considered in Council who have passed the following resolutions subject to remarks

(1) That the Bangalore Water Supply Improvement Scheme including the joint scheme of the Civil & Military Station towards which the Civil & Military Station will contribute -share - may be approved

(2) That the Government may give a grant of one-third of the total estimated cost of the scheme relating to the Bangalore City provided that-

(a) the Bangalore City Municipal Council find the remaining two-thirds of the cost out of their own resources as follows -

Two lakhs from their cash reserve and the balance of two-thirds share as a loan from Government at 5 % to run for a period of 25 years,

(b) the Municipal Council should provide for sinking fund and interest charges out of their current revenue,

(c) the Municipal Council will take over completely the maintenance from 1st July 1926, and undertake to bear the whole maintenance charges from that date, and

(d) the Municipal Council shall submit a scheme showing the ways and means for complying with the above conditions specifying additional resources on which such a scheme is based

The draft Order, which goes into the whole question and embodies the recommendations of the Council as set forth above, may be graciously approved I may in this connection, invite a reference to my speech in the Legislative Council on the Cut Motion relating to the grant allotted in the Public Works Department budget for maintenance charges in the two Cities

Since the Council resolution was passed, the President has sent me a confidential demi-official letter, representing that it would be difficult to pay Rs 2 lakhs out of the cash reserve and that the term of the loan should be 30 years These are matters of detail and I may be permitted to negotiate with the President and come to a settlement after consulting the Financial Secretary on these two points

The Residency is very anxious to know when funds will be available for the joint scheme, and as soon as the proposals are approved, a communication will be sent The works are urgent - specially the duplication of the Main - and regarding the various parts of the improvement project, detailed estimates will be separately submitted for His Highness gracious sanction

Bangalore,
10th July 19
SGN SKR.

Record of Cases submitted for the Orders of His Highness the Maharaja

H H No 25
13 7 25

43
Referred back for No 17
dated the 17th July 1925

Subject

Draft Government Order re improvement and maintenance of the Bangalore City Water Supply scheme

Order

~~KRW~~
15/7/25

Seq 6 is very urgent
Kly - will Hon'ble Min
see my remarks
Hon'ble Member should
have this Colony
with the D.O. re
Lotment made

keep I/Act encumbrance
for present.
Letter to be prepared
in 2nd sheet
Shall sign

GOI No 17
With one file

ON MYSORE GOVERNMENT

Rajamantra Dhurina

SIR ALBION BANERJI, Kt., C.S.I., C.I.

Dewan of

Private Secretary
to H. H. the Maharaja of Mysore.

The Palace, Bangalore.

No. So Z 17
WS ass sb

Dated. 17th July 1925

My dear Sir,

I am directed to return File No 25 dated the 15th July, and to say that His Highness approves of all your proposals, with the exception of the suggestion that the control and management of the Water-Works should be transferred to the Municipality from the 1st July 1926, when the projected improvements are expected to be completed His Highness hesitates to sanction this proposal because he feels that the Municipal Council might not be able to discharge the responsibility of looking after the Works with success, and that it would be safer to retain the entire control in the hands of Government, the Municipality paying the necessary maintenance charges

As regards the payment of Rs 2 lakhs out of the cash reserve, and the term of the loan, His Highness has no objection to your settling these two points with the President after consulting the Financial Secretary

Yours sincerely,

Mirza M Ismail

Rajamantra Dhurina

Sir Albion Banerji, Kt , C S I , C I E ,

Bangalore

General and Revenue Secretariat. | File No. | of 19

Serial No.

I think the draft is alright. There is only one point to which it is necessary to refer. It is desired that the Control and Management should continue to vest in Govt. It is necessary to make it clear that the Municipal Council should pay not only Maintenance charges but also Capital charges other than the outlay of 10 lakhs for financing of which is now settled and also charges on heavy renewals and replacements to be ordinarily met from a Depreciation fund, which does not now exist and the formation of which may not be possible in the near future. Considering the heavy demands for Maintenance and unbudgeted and Sinking fund charges, the Govt. Council has assumed a final shape and it is not desirable to hold it up for considering other points referred to above. That the Municipal Council should bear all future Capital Charges in a lump amount so far back as 1929 and as for Depreciation charges, etc., go with operation and Maintenance and the liability of the Municipal Council to bear them is obvious. In these circs the order may, I think, be issued as at NOTE-Cover Sheet

Yours.

9.2.40

Some part of the Special collections will, according to the order, be made from July 25. and that amt is realised in this year how to be accounted for meeting some demand of the Water Works, if that work for which only Special charges the levy is made also by a small addition Suggested on 17 (illegible)

Serial No.

The reserve at the credit of the Municipal Council on 1st July 1925 is estimated by them as follows --

(1)	In fixed deposit at the Bank of Mysore	Rs.4,30,000
(2)	In the Mysore Government 5 per cent Pro Notes.	Rs. 7,500
(3)	Do. Loan of 6½%	1,00,000
	Total,	5,67,300

The latter two items not being available for the present, the reserve that readily becomes available is only a sum of Rs.4,30,000.

The Municipal Council proposed to draw a sum of Rs.2,73,300 to meet the charges of the Special City Improvement Works.

In the Budget file the reductions proposed for city improvements works by the Financial Secretary are being given effect to and this will reduce the expenditure by Rs.1,83,000 on non contribution works of the Municipality and Rs.34,681 in regard to contribution works The latter sum might be utilised by the Council for other contribution works in progress. The amount to be drawn by the Municipal Council will thus be reduced by a sum of Rs 1,83,000 No provision may therefore be necessary on account of withdrawal by the Council out of their reserve The budget order is being prepared on this basis

The total income and expenditure as proposed by the Municipal Council for the Year 1925-26 are as follows --

Opening Balance	Rs.54,430
Receipts	11,16100
Total	11,70,530
Expenditure	11,15,849
Closing Balance	54,681

After the additions and ~~xxxxx~~ reductions proposed in the Budget Order, these will stand as follows --

Opening balance	54,430
Receipts.	7,75.100
Total	8,29,530
Expenditure	7,60,349.
Closing Balance	69,181

Please see Budget file Number for Number under this

1977

The proposal of the Tahsildar to drop all works which are not recommended to adopted & drop to be put up accordingly & submitted separately through

In the tucked file (Flag 7), it is ordered that a paragraph relating to financial position may be added in the order & the word

The unofficially contained from the Tahsildar, to amount will come to nearly a crore of rupees & that it would may be helpful to be important to add it in new paragraph ~~xxxx

rul and Revenue Secretariat.

File No. 12) of 1923

bers. No

Refer 7/c Secys note dt 18.7.1925-
Dft & four copies are forwd upto

22/7/25

L. the Capt Ellis
Hqrs dated 22/7/25-

18 P.D. No. L 609. 12 G dt 22nd July 1925 fr the Asst Comr, Bangalore city, Chief Engr & Supt dn the P.W.D + Complaints

Remarks desired re the scheme for the improvement of the Bangalore city water supply.

It appeared the file may be sent to the Chief Secretariat for [illegible] perusal of the orders and necessary action thereon

The [illegible] L. Secy)

Chief Secy)

dt is completed
forwarded to dis by
7.1.25.
for Secy to Govt

Norn.—Comin. Sheet

G.R.S. III-2]

WD 2119—GPO—1

File No

of 19

General and Executive Secretariat

Serial No

C424 47

General and Revenue
Secretariat

SUBJECT

Financing of Bangalore City Water Supply Improvement Works by the Municipal Council

Sealed cover

Circulated to Members of Council for perusal of His Highness orders ~~before~~/after issue of orders (*Vide* Rules 31 33* and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure)

By Order

K Ramamurthy

Chief Secretary to Government

Through the Secretary to Government

Department

FIRST MEMBER OF COUNCIL 3/8

SECOND MEMBER OF COUNCIL 5/8

EXTRA MEMBER OF COUNCIL

Contn. sheet

6303
No. 150 of 23-24 Urgent

OFFICE OF THE CITY MUNICIPAL COUNCIL,
Bangalore City, Dated, 6th March 1924

From

B. K. GARUDACHAR, Esq.,
HONORARY PRESIDENT, MUNICIPAL COUNCIL,
BANGALORE CITY.

L 5746-7

GENERAL & REVENUE DEPARTMENT
17 MAR 1924
SECRETARIAT

To

B. Nagappa, Esq., Bar-at-Law.,
Secretary to the Government of
His Highness the Maharaja of Mysore,
Local and Legislative Departments,
Bangalore.

Ml 2 B-23-1

Sir,

Adverting to Government Order No L 6058-65/Ml.176-19-25 dated 19-4-1922, passing orders in the matter of the maintenance charges for the supply of water to the City, I have the honor to place the following facts for the information and consideration of the Government

1 It was in July 1920 that the meeting of the Special Committee constituted to consider the apportionment of the -- water charges between the Government and the Municipality was held, and definite conclusions arrived at in the matter These conclusions were ratified in Council in October of the same -- year. The orders of the Government on the question were however passed nearly two years after, by which time the conditions in the Municipality had undergone great changes It is a pity that the Government did not approve of the recommendations of the Committee in their entirety, but accepted them in part only, with the result that the orders have been rather dis--appointing The year when the Committee met was a favourable one as regards Municipal finances, compared with those of the subsequent years, viz., either 1921-22 when the Government Order was passed or the current year 1923-24 Even at that time --- flourishing as it might have been in contrast with the present conditions, it will be noted from the Committee Proceedings ---

that

that the representation made by the President of the Municipality to Government aid was necessary for some years to come was accepted. In the result, it was agreed that the period during which the Municipality should improve its income and prepare itself to take over charge of the maintenance of the water supply might befixed at 6 years which meant about the year 1926-27. But the Government in their order have fixed it 2 years earlier, from July 1924 which is approaching.

2. Now it has become my painful duty to bring to the notice of Government the present situation of our finances.

From the appended comparative statement of our normal income of Rates and Taxes for 3 years from 1921-22, it will be clear that there has been a heavy decrease in the income The main item of income, viz from Octroi, is going down from year to year The boom created by the war has passed away and the recent years are indicative of great trade depression throughout the world. From our Budget for of the current year, it will be seen that between 1921-22 and 1923-24 there has been a fall of nearly Rs.60,000/- in Octroi alone and it is feared that in the coming year there is likely to be a further fall

The following seem to be some of the contributory factors

The first and foremost is the resolution of the Civil & Military Station Municipality to abolish Octroi altogether from 1st The rapid prosperity of our City in the past was due mainly to the fact that between the Civil & Military Station and the City, the latter was preferred as it had no incometax Since its introduction as there is not much to choose between, but the tradesmen nevertheless continued to go on to the City Now that the Octroi is to be removed in the Station it is apprehended that there will be a diversion of the trade to the quarter How to prevent it has now become a great problem for our Municipality to solve.

2nd Next to Octroi is the tax on buildings and lands. Here again the trade depression has been causing the Council serious

The rental value of buildings has considerably gone down of late and particularly it has been the case in regard to big and commodious dwelling houses and shop buildings Many of the latter remain unoccupied for months in the year These conditions unfavourable as they are seriously tell upon our finances and it is reasonably feared that the revenue under this item also might fall

3rd. The seasonal conditions are far from encouraging to make an honest attempt to increase the municipal revenues

3 Coming now to expenditure side the Council has recently undertaken to contribute Rs 33000/-and odd towards Primary Education in the City The charges incurred on (1) the drainage and other works of Visvesvarapuram, (2) the improvement of the City Market (3) Construction of the City Municipal Office (4) Original ard improvement works of the Water Supply Department and (5) the acquisition of properties in the City are being met out of the closing balance

4 From the foregoing facts it will be apparent that the present financial condition of the Municipality is far from satisfactory

5 Similar situation existing in the Government also in the matter of finances, the Municipality is well aware of but still the situation with the Municiplity is such as canrot safely be tided over without Government aid In praying for relief it is not intended to go beyond the decision arrived at in the Committee meeting of 1920 only request that the orders of Government may be reconsidered and --- further time up to 1st July 1926 be given to the Municipality to take over charge completely of the water supply maintenance charges If the prayer is granted it will give the Mum cipal Council some breathing --- space time to increase its revenues by raising some of the taxes and rates soon after the trade conditions improve

6 I request the favour of early orders in the matter

I have the honor to be
Sir,
Your most obedient servant

ITEMS	For 1921-22	For 1922-23	Budget for 1923-24
	Rs	Rs	Rs
Items of Receipt -			
1 Octroi	2 56 532	2 03 365	2 00,000
2 House Tax	1 01,105	1 04 955	1 02,000
3 Water Tax	47 999	49 715	48,700
4 Lighting Tax	19 572	20 307	19 800
5 Conservancy Tax	20,251	21,509	20,900
6 Conservancy Receipts other than tax	12 778	16,894	15,000
7 Toll	29 243	40,391	36,000
8 Markets	23 512	29,173	30,000
9 Slaughter House	8,676	7,061	8,000
10 Taxes on Vehicles and Animals	12 362	12 696	12 000
11 Contributions	29,662	20 456	26,160
12,Interest on Investments	56,344	55,130	35,000
13 Other items	40,804	53,740	38 145
Total	6 88,840	6,35 392	5,91,705
Items of Expenditure -			
1 Water Supply charges	40,156	52,030	76,700
2 Lighting charges	27,878	30,811	31 500
3 Conservancy Establishment	69 579	69 303	72 080
4 Conservancy other charges	12 510	14,018	16,450
5 Education	10 463	10,288	33 000
(For Deaf & Dumb School) -			2 690
6 Public Works	1 72,498	1,64,316	2 01 602
7 Establishment charges other than conservancy	1 08 231	1,19,685	1 20,000
8 Other items	74,950	97,892	1,02 716
Total	5,16 265	5 58 343	6 56 738

President,
City Municipal Council,
Bangalore.
28/4/24

D N.R.

C R. S. III—3]

[To be used only

ord.]

9 P 165
28 3 24

MEMO OF INTERVIEW WITH THE DEWAN

28 [illegible] 192[illegible]

GENERAL & REVENUE SECRETARIAT
5320
28 MAR 1924
LOCAL SELF GOVT. BRANCH

Name of Interviewer—

Representation in brief—

Ref from Cely No 9
re embankments charges
why the same not
levied

Ltr to the Comptr
Genl
28/3

28/3

File (Rel 127-23 / 5446) is pushed
A note from the Board is awaited
Ho Po

N B.—Show the this

5[14"

G R. S. III—8]

ROUTINE NOTES

[To be used only for notes, requisitions, etc., not intended for permanent record]

DE[illegible]NS OFFICE.
RECD. 10 APR. 1924
Reg. No. 7133.

N B. Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

c W D 1925—GPD—1,000,000—2-24

[R. S III—3]

ROUTINE NOTES

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Mysore Public Works Department,
Central Office,
Bangalore, 4th A p r i l 192[illegible].

Dear Mr Nagappa,

With reference to your D.O. letter of the 6th March 192[illegible] re water rate to be levied to meet the maintenance charges of Bangalore and Mysore, I herein enclose for our information a note drawn up by me on the subject. The figures have been adopted for Bangalore for the purposes of the note but the suggestions apply equally well to Mysore also.

As regards Drainage of Bangalore, I shall send up proposals when I have a little more time. Just now with the work of the combined offices it is not possible to attend to it.

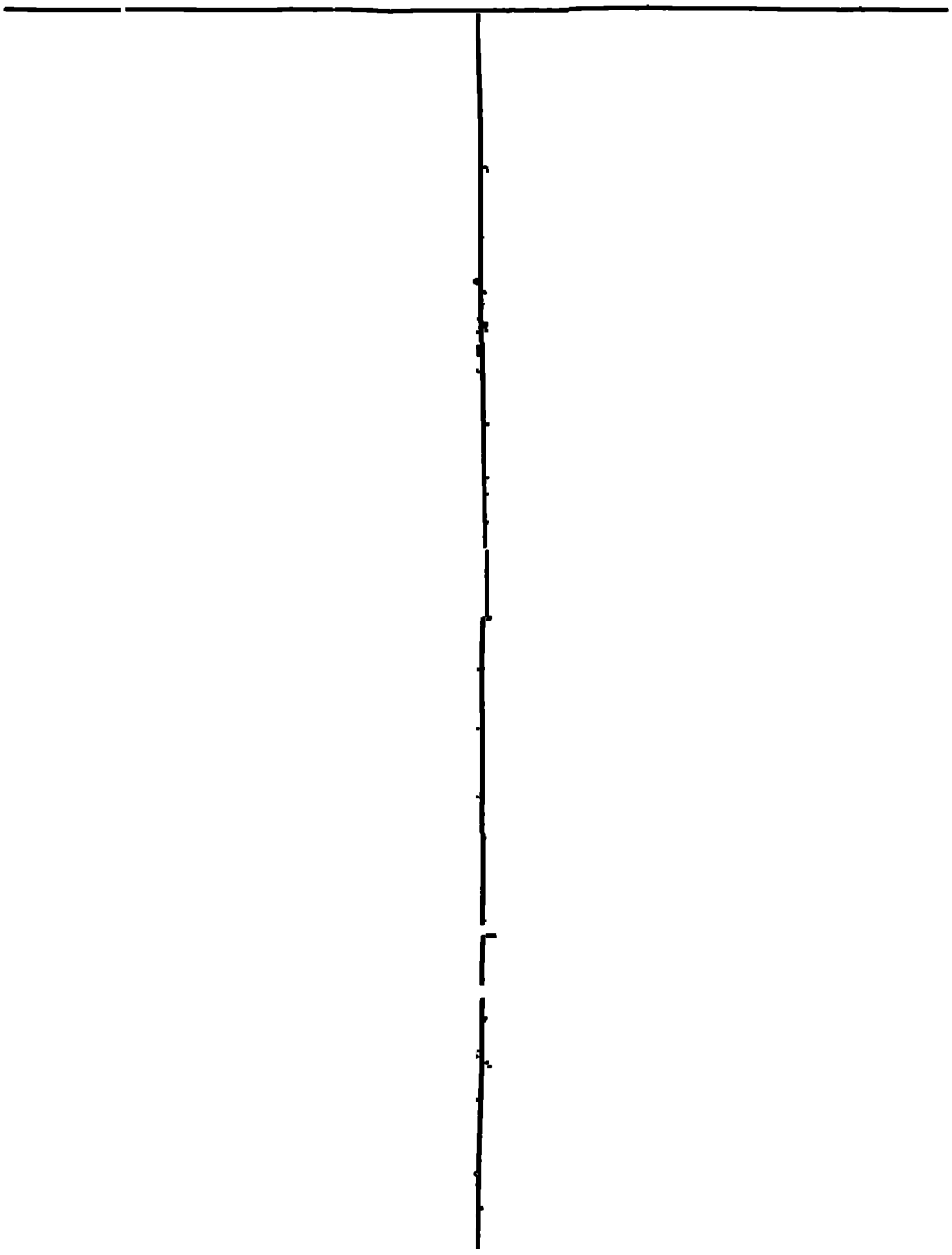
Yours sincerely,

N B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

G R S III—8]

ROUTINE NOTES

[To be used only for notes, requisitions, etc., not intended for permanent record]



N B. Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

WD 1933—GPB—1,500,000—8-32

58

NOTE

The Capital and Revenue Accounts of the Chamarajendra Water Works for the year 1922-23 show that the working of the concern has resulted in a deficit of 2,00,744 as noted below -

Receipts		Charges	
	Rs		Rs
Sale of water and meter hire	46,058	Working expenses	1,[illegible]
		Establishment charges	36 [illegible]2
Contribution from Civil & Military Station	32,029	Tools & Plant	1 031
		Depreciation on Machinery	1[illegible]
Contribution by the City Municipality and District Board	49,086	on other works	09,070
		Indirect charges	3,17[illegible]
	1,27,773		3,28 51[illegible]
		Deficit	2,00,744

Even if the working expenses alone are taken the deficit works out to Rs 1,96 148 - 1,27,773 or 68,375 The following suggestions are offered to make the scheme self supporting as far as possible -

(1) The general water rate levied by the Municipality is 3 per cent on the rental value This was fixed a long time ago In the meantime the expenses incurred in supplying good filtered water have been increasing not only on account of the rise in the prices of stock materials required and but also on account of the larger quantity of water now being supplied to city It is but fair that the general rate

tax now being levied should be increased. The rate levied in the Civil and Military station is 6 per cent on the rental value and is considered not to be heavy It is recommended that the same rate may be adopted for the City also. This results in an additional income of Rs 49,436 or Rs 50,000 roughly.

(2) The rate of power was increased from .5 annas to 6 anna per B.T.U. In if special consideration is shown to water supply installations as distinguished from commercial concerns where profits alone are the chief basis then the rate may be reduced to the original level.

The charges for the year 1922-23 amounted to Rs 84,496 and with the reduced rate the savings will be Rs 14,304. But it has to be stated that this will reduce the revenue of the Electrical Department. It is for the consideration of Government to extend this concession or not for the water supply installations.

(3) In case of Shimoga and Devangere municipalities, the house connections are charged at Rs 2 each per mensem in addition to the general water rate. Similarly in Bangalore and Mysore cities, instead of Rs 2 for each house connection a scale varying from Rs 1-8-0 to Rs 3-0-0 may be fixed in accordance with the rental value of the buildings since the free allowances are based on the rental values There are at present nearly 4,000 house connections in Bangalore The revenue from this

source (at an average of Rs 2/- per mile) would amount to Rs 90,000 per annum.

Thus if the above suggestions are adopted, the additional receipts would amount to Rs 50,000 + 96,000 + 15,000 or Rs 1,50,000. If the item relating to power is omitted the receipts would be 1,46,000. This would go far towards reducing the deficit and make the water supply nearly self supporting

It has however to be stated that the consumption of water is likely to increase from year to year and consequently the working expenses will increase in proportion. Also by the additional taxation referred to, the number of house connections may perhaps be slightly reduced and the income from house connections tax may be less than what has been estimated.

5/12/27

D.O. No. 80-25 874 Bangalore 5/6/24

Dear Sir,

I wish to acknowledge with thanks the receipt of your D.O. letter of this instant, regarding the water rate levied in the Bangalore and Mysore Municipalities & meet the maintenance charges of water supply in those places.

I am to request that the note promised by you in regard to the drainage scheme may also be supplied.

Yours &c

8-4

J. Thom Esq
Chief Engineer & Secy

F. R. & VI—G/82]

No 1 36

SUBJECT .....

Diary No. of letter replied to 27444

General and Revenue Secretariat
(L. S. G.)
the 192 .

Date of issue 2/5/24

Signed by

Section Mil
File No. 127-23
Serial No. 2

No. 28749

Encl

To The President
City Municipal Council
Bangalore.

Sir.

With reference to your letter no 150 of 23-24 dated 6th march 1924, requesting that under the circumstances stated, further time up to 1st July 1926 may be given to the municipal council to take over completely the charge of the Bangalore city water supply maintenance I am directed to observe that para 5 of your letter

P.T.O.

WD 6000—9/23—10000—15-3-24

30/4

under reply is Vague and to request you to kindly state what the proposals of the municipal council are to meet the situation even if 2 years of time is granted

2 In this connection I am to forward herewith a copy of the note dated 5th April 1924 of the Chief Engineer containing his suggestions for the improvement of the finances to meet the water charges and to request you to be so good as to place the same before the Council for consideration and to forward their resolution thereon for the orders of Government Regarding

I have the

Secy to Government
Local & Legislative Depts

List of enclosures.

Copied by

Examined by

57

G. R. (S) VI—G/82]

SUBJECT ...

Draft

Diary no of letter replied to 5746/K

Section rl

File No 127-23.

Serial No 3

General and Revenue Secretariat

(E.S.G)

, the 192

No. 2875

Enclosure

Date of issue 21/5/24

Signed by ...

To

The Chief Electrical Engineer

Kaiser

Sir,

In forwarding a copy of the Chief Engineer's letter dt 5th April 1924 offering suggestions to make the maintenance of the Bangalore city and Cantonment Water Supply Scheme by the City more Cl as a self supporting scheme I am directed to request you to be so good as to state as early as it could be possible to undertake

OSER

WD&INS GTE—3000—16-9-23

the rate of power from 6 amps to 5 amps per B J K specially for the Water Supply installations as suggested by the Chief Engr Ramsay & Very early reply is solicited

I have to

29/4 & L L & Sly

28/4/94

List of enclosures

Copied by

Examined by

35246

58

GOVERNMENT OF MYSORE

ELECTRICAL DEPARTMENT

—o— M127-23-4

OFFICE OF THE CHIEF ELECTRICAL ENGINEER

Address "REGISTERED"

Codes used A. B. C. 6TH EDITION TELEGRAPH CODE

Bangalore 12th May 1924

MYSORE REVENUE SECRETARIAT GENERAL 26296 14 MAY 24 LOCAL SELF GOVT BRANCH

The Secretary to Government,
Local and Legislative Department,
Bangalore.

Sir,

Rates charged for power supply to the Vani Vilas Project

MAY 1924

I have the honor to acknowledge receipt of your letter No L 8750/M1 127-23-3 dated the 2nd May 1924, and in reply thereto, I am sending you herewith a copy of my letter to the Secretary to Government P W D which constitutes my reply to your above letter

I have the honor to be,
Sir,
Your most obedient servant,

SGF-PRN

Chief Electrical Engineer

59

IN REPLY REFER TO
47
LD

Cypher Address
GOMED

Codes used
WESTLEY'S LIEBER'S
A B C 6TH EDITION
PRIVATE TELEGRAPH CODE

GOVERNMENT OF MYSORE
ELECTRICAL DEPARTMENT

OFFICE OF THE CHIEF ELECTRICAL ENGINEER

Bangalore 12th May 1924
MYSORE INDIA

The Secretary to Government,
Public Works Department, Bangalore

Sir,

Rates charged for power supply to the Vani Vilas Project.

In reply to your letter No P.W. 884 dated the 1st May 1924, I have the honor to inform you that the rates being charged to the Vani Vilas Project have been fixed according to the sanctioned schedule rates after taking into consideration the actual nominal rating in H P, when the installation is working under normal load conditions. This rate is higher than that charged to the Gold Mining Companies, whose rates work out to an average of .45 of an anna per unitwhich rate is fixed by contract and is due to the fact that the Mining Companies consume something like 17000 H P continuously and therefore, this rate does not apply to a small block of 300 to 400 H P.

2 I have recently recommended to Government that our schedule rate which now provides for .6 of an anna per unit for blocks of power of more than 300 H P be modified so as to provide for .5 of an anna per unit for blocks of power of over 500 H P. If this rate is sanctioned, I will then take into consideration the combining of all the power installations belonging to the Water Supply Division in Mysore City into one installation and if the combined rating comes to 500 H P or more, then the rate of .6 of an anna per unit apply.

37439

IMMEDIATE

No. 205 42 23-24

OFFICE OF THE CITY MUNICIPAL COUNCIL,

Bangalore City, Dated, [illegible] 1924.

From

B. K. GARUDACHAR, Esq.,
HONORARY PRESIDENT, MUNICIPAL COUNCIL,
BANGALORE CITY

To

K V Anantharaman, Esq., B.A ,
Offg Secretary to the Government of
his Highness the Maharaja of Mysore,
Local and Legislative Departments,
B A N G A L O R E

Sir,

With reference to your letter No L.6744/M1 127-23-2 dated 2nd May 1924 calling for definite proposals in the -- matter of taking over completely the charge of the Bangalore City Water Supply maintenance, I have the honor to state that a meeting of the Sub Committee appointed by the Council to -- offer suggestions for the improvement of the finances will take place early next week Their proposals will be placed before the Council for consideration at a special meeting of the Council and a report submitted in due course.

I have the honor to be,
Sir,
Your most obedient servant,

President.

D.O.R.

No. 4398

Office of the City Municipal Council
Bangalore, 18th March 1926.

127-22.

From

M C Krisnnaswami Rao, Esq ,B A ,
Municipal Commissioner, Municipal Council,
Bangalore City

P.F

To

B. Ramaswamaiya, Esquire, B.A., B.L.,
Chief Secretary to the Government of
His Highness the Maharaja of Mysore,
B A N G A L O R E.

I R,

With reference to your letter No. G. 6030/P.F. 30-24-1 dated 4th February 1926, calling for the views of the Municipal Council on certain improvements proposed for the existing system of water supply in the City of Bangalore, which are likely to cost about Rs. 10 lakhs and with reference to Government Order No. L 5442/L.S. 131-24-3 dated 2nd January 1926, directing that the maintenance charges of water supply in the City should be borne entirely by the Municipal Council from 1-7-1925, I have the honor to state that both these communications from Government were placed before a Special Meeting of the City Municipal Council, Bangalore, held on the 16th February 1926. The Chief Engineer, Mr. John Shore, who was requested to attend the Meeting, explained in detail the several improvements that were urgently required and laid special emphasis on the immediate necessity of duplicating the rising main. The Council, after much discussion, unanimously accepted the recommendation of the Chief Engineer to immediately duplicate the Rising Main, between the Pumping Station and the Combined Jewell Filters.

2. The next question for consideration was how to raise the amount required for duplicating the rising main. This was considered at the adjourned Special Meeting of the Council

M.C.R.

held on Monday the 16th February 1925. Mr. M.L. Narasimha Iyengar, Assistant Engineer in charge of the City Water Distribution Range was present by request. At this meeting the Council resolved that the proposals of Government, communicated to the Municipal Council in your letter No. G.O.Ms. 30-24-10 dated 4th February 1925, be generally accepted and made arrangements to finance the scheme by raising a loan not exceeding Rs 10 lakhs, making due provision for a sinking Fund and the payment of interest therefor. i e., on the loan. The above resolution was then referred to a Special Committee of the Municipal Council, consisting of 8 members and the Municipal Commissioner, with a request that they should submit a report, within a week, on the following points, Viz.,

(1) the mode of raising the loan,

(2) devising ways and means for meeting the sinking Fund and interest charges etc., thereon, and

(3) making such other proposals as may be necessary to giving effect to the above resolution.

3. The Special Committee met in the Council Chamber on the 20th February 1925, from 12 noon to 6 P.M. and submitted an exhaustive report, which was considered in detail at 2 special Meetings of the Council held on the 28th February 19. and 7th March 1925 The resolutions of the Council on the subject of improvements to the Water Supply were forwarded from time to time with this Office letters Nos. 114 dated 9-3-1925 and No. 120 dated 16-3-1925, to the Secretary to Government, Local and Legislative Departments.

4. For the sake of convenience and ready reference, several resolutions adopted by the Municipal Council on the subject, have been consolidated and a copy thereof is submitted for kind perusal and early orders of Government

5. The whole scheme depends entirely on the flotation of a loan of 10 lakhs of Rupees. The main features of the Scheme on which specific orders and sanction of Government are required are,

(i) that the loan, (repayable in 30 years) has to be raised by Government, carrying interest not exceeding -- 5 % per annum;

(ii) that Government should be graciously pleased to -- make a free contribution of one-third of the loan, for - reasons mentioned in Resolution No. V of the Council,

(iii) that the Chief Engineer has to be requested to take up at once the duplication of the rising main, and

(iv) that the entire water works has to be handed over to the Council only after fully completing the improvements so that the control may vest entirely in the Council from 1st July 1926.

6. In order to meet the sinking fund charges and interest on the loan, the Council have resolved to levy certain additional taxes and to enhance certain existing taxes and -- tolls, with effect from 1st July 1925. They are set forth in detail in Resolution No. VI of the Council It is expected that an additional revenue of about Rs 96,000/- will be realised by the aforesaid revision of taxes and by the imposition of fresh ones, which sum will primarily be utilised towards the sinking fund and interest charges and the balance, if any, will be set apart for meeting the cost of renewals and depreciation charges.

7. As the revision of taxes involves a change in the existing Rules and Bye-laws, necessary steps are being taken in the matter.

8. In conclusion, I may add that this question of improving the existing system of water supply has been pending for a long time and for one reason or another, no serious

attempts

attempts seem to have been made in the past to tackle the question, in spite of repeated reminders from Government. It is a source of sincere gratification that the Council, fully realising the gravity of the situation, has now done its best in concerting measures for its improvement. On behalf of the Council, I now request Government to kindly approve of the several resolutions of the Council and accord their sanction to the proposals submitted in this letter.

I have the honour to be,

Sir,

Your most obedient servant,

Signed. M.G. Krishnasami Rao,

Municipal Commissioner.

Forwarded with Compliments,

Signed. Mohamed Abbas Khan,

Honorary President.

S.M.

No. 123 (Con. 131-24-3

24-1-25

M E M O.

Copy forwarded, with compliments, to the Secretary to the Government of His Highness the Maharaja of Mysore, Local and Legislative Departments, with reference to Government Order No. L. 5242-46/M1. 131-24-3 dated 22nd January 1925, for kind information and orders. A copy of the resolutions of the Council in the matter enclosed.

M G Krishnasami

Municipal Commissioner,
City Municipal Council,
Bangalore.

21-3-25

S.M.

Office of the City Municipal Council,

Bangalore City.

The following Resolutions were adopted by the City Municipal Council, Bangalore, in the matter of the improvements to water supply, Bangalore City at the meetings held on 14-2-1925, 16-2-1925, 28-2-1925 and 7-3-1925

I. Resolved that the proposals of Government, communicated to the Municipal Council in their letter No. 6030 dated --2-1925, in regard to improving the arrangement now existing in connection with the Sri Chamarajendra Water Works, Bangalore City, be sincerely accepted and the Council agree to finance it by raising a loan not exceeding Rs 10 lakhs and providing interest and Sinking Fund Charges therefor.

II. Resolved that Government be requested to arrange for a loan not exceeding Rs 10 lakhs, less Government grant, for meeting the cost of the proposed improvements to the Sri Chamarajendra Water Works, Bangalore City.

III. Resolved further that the loan of Rs 10 lakhs, less Government grant, to be raised by the Government for the Council be made to run for a period of 30 years from the date of raising and that the interest payable on it be fixed at a rate not exceeding 5 % per annum.

IV. Resolved also that Government be requested to allow the Council to adopt the usual mode of re-payment of loans of this nature by means of a Sinking Fund, the payment being annual and into a Bank, approved by the Government and the Council. The details as to the amount to be paid, the date of payment and the like are to be agreed to between the Government and the Council, after the scheme is approved by Government and the approval made known to the Council.

V. Resolved further that in view of the Council agreeing to meet a major portion of the Capital charges totalling in the aggregate so large a sum as Rs 10 lakhs and agreeing to meet its re-payment both principal and interest from its own slender and inexpanding resources, especially at a time when the conditions of trade are unfavourable and its own finances none too exceedingly strong, Government be most earnestly and respectfully requested to make a free contribution of one-third of the proposed loan of

694

Rs 10 lakhs especially as the City is a metropolitan one and is the administrative capital of the State attracting to itself a large number of people throughout the year

VI. Resolved further that the following new charges A, B, C & D, be levied and the undernoted amendments to the Schedule A of the Schedule of Taxes (Pages 47 to 51 of the Taxes and Bye-laws of the Council) be adopted with a view to realise the additional revenue required to meet the cost of the improvements to wit as follows:---

A House Connection Charges:---

(1) A flat rate of 4 annas per month be levied and recovered from 1-7-1925, as a charge for every house connection already given and to be given, the excess water charges being also collected, provided that the existing minimum house assessment fixed for a house connection be abolished other conditions remaining the same

(2) The excess water charges be raised from 12 annas to -- Re 1-0-0 for every 1,000 gallons from 1-7-1925

B Supply to Government Institutions ---

(1) No free allowance of water should be allowed to Government Institutions from 1-7-1925

(2) In the case of Government Institutions, now enjoying a free allowance, a concession rate of 8 annas per 1,000 gallons, for all water drawn by them, be charged from 1-7-1925

(3) In cases where no such free allowance is now being enjoyed, a rate of 12 annas for every 1,000 gallons be charged as heretofore from 1-7-1925

C New Taxes:---

(1) New taxes be imposed from 1-7-1925, on Coffee Hotels, -- Messing Hotels, Private Cart- Stands, Private Markets, in accordance with Bye-laws under consideration.

(2) New taxes be levied from 1-7-1925, on Cinemas, Dramatic Performances, Circusses, etc , at the rate to be proposed by the Bye-law Committee

D. (1) **Revised Toll Rates** ---

The rates under "Tolls on Vehicles and animals" in the -- Rules and Bye-laws, be raised as follows from 1-7-1925:---

(1) -----Do----- on item No 3 from 2 annas to 4 annas
(2) -----Do----- on item No 4 from 1 anna to 2 annas
(3) -----Do----- on item No 5 from 4 annas to 8 annas
(4) -----Do----- on item No. 6 from 2 annas to 4 annas
(5) -----Do----- on item No 7 from 2 annas to 4 annas
(6) -----Do----- on item No 8 from 1 anna to 2 annas

(ii) **Revised Vacant Site Rate.**---

The rate on vacant sites to be raised from 4 annas to 8 annas per 100 Square Yards from 1-7-1925

(iii) **Raising of the water-Rate:**---

The water rate to be increased from 3 % to 4½ % on the rental value of the buildings, from 3/8ths % to 1 % of the building tax in the case of vacant sites, and in regard to buildings used as shops and mandies from 1 % to 3 % on their rental value

(To come into force from 1st July 1925)

VII. Resolved also that out of the approximate additional revenue calculated to yield from the above additional charges and alterations in the schedule of taxes proposed, the sum required to meet the sinking fund and interest charges be set apart and the -- balance be funded separately to meet the cost of renewals and depreciation

VIII Resolved also that Government be requested to arrange xx for the loan proposed above at as early a date as may be possible so that the improvements may be completed without avoidable delay

IX Resolved also that in view of the letter of the Chief Engineer to the Government of Mysore, No R 3894 dated 16-10-19.. enclosing his estimate for duplication of the rising main and -- urging the carrying out of this item of work as a matter of extreme necessity, Government be requested to direct this part of the work being put in hand at once

X Resolved further that the Government be requested to hand over the entire works to the Council, after completing in full the improvements so that the control over the same may vest entirely in the Council from 1st July 1926.

'Copy'

Mr G Ramaswamy Rao

App.F VI-G1]

SUBJECT

Section M
File No. 127-23
Serial No. 7
No. C2358

Diary No of letter replied to 6842

General and Revenue Secretariat
(L S G)
the 192

To The Hon'ble Chairman, Bangalore City
Hon'ble Vice-President, City
Hon'ble Councillors, Bangalore City

Date of issue 26/5/25

Signed by M. D. D. K. Iyer

Sirs,

With ref to your Office Memo No. 128/24-25 dt March 1924 forwarding a copy of your letter No. 122/Gen-25 (M. I) dt March 1925 addressed to the Chief Engineer, requiring certain improvements to the existing system of water supply in the Bangalore City at a cost of about Rs 10 lakhs, I am directed to say that the Board

List of enclosures

Copied by
Examined by

over

City Municipal Council for the current year would result in a deficit of Rs. 43,600/- taking the normal income and the normal expenditure. The additional income that the Municipal Council proposes to raise from new taxes and the enhancement of certain existing taxes will only meet the demands on account of interest and instalments of the loan proposed to be raised for financing the project and leave a small amount towards the maintenance charges of the water works. Taking both the annual income expenditure of the water works including depreciation and interest charges, there would be a deficit of Rs 2 1/2 lakhs and against this deficit, the only direct source of revenue is the water rate which is at present estimated at Rs 50,000 and it is seen that there is already a shortage of about a lakh of rupees and that the Municipal Council have not suggested any method for finding this amount for taking over the maintenance

Water tax	50,000
Sweepers Charges	40,000
Contribution from E & M Section	33,000
Total	Rs. 1,23,000

G R. S. G/33]

GENERAL AND REVENUE SECRETARIAT

(Continuation sheet draft form.)

maintenance and operation of the Radar Units.

2. As the above question is an important and urgent matter, I am to request you to be so good as to move the Govt Council to ~~the Minister who~~ ~~is in charge~~ Consider the matter without delay and to have Govt Sanction issued at a very early date. The enclosed Memo is submitted as a supplementary memorandum asked.

I have to

18-5-45

18525

No 146 of 24-25
Genl Corr

OFFICE OF THE CITY MUNICIPAL COUNCIL

Bangalore City Dated 25th/26 May 1925

L & REV SECTT
Br. L
26 MAY 1925

GENERAL & REVENUE SECTT AT
76041
26 MAY 1925

From

M G KRISHNASAMI RAO Esq BA
MUNICIPAL COMMISSIONER MUNICIPAL COUNCIL
BANGALORE CITY

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
Local and Legislative Departments,
Bangalore

SIR,

Mil 127-23-8

With reference to your letter No 5235/Mil 127-23-7 dated the 20th May 1925, requesting me to move the Municipal Council a very early date in the matter of finding funds for taking over the maintenance and operation of the Water Works, from 1st July 1925, I have the honor to state that the subject was duly placed before the Council at the meeting held on Saturday the 23rd May 1925 and their views are embodied in the resolutions appended to this letter

2 In this connection I would point out that it is the intention of the Council to provide for the maintenance and operations of the Water Work from 1st July 1926 if by then the works are improved and handed over to them The Council did not deem it necessary to provide for these charges in the budget for 1925-26, inasmuch as it was decided that the maintenance of the works should be taken charge of from 1926-27 Resolution of the Council forwarded with my memo No 123 dated 21st January 1925 stating that the completed Water Works should be handed over to the Municipal Council for maintenance and operation from 1st July 1926 disposes of the issue raised by Government in their Order No 5242-6/Mil 131-24-3 dated 22nd January 1925 that Council should pay for the maintenance charges from 1st July The Council are prepared to take over the maintenance and opera

R1

of the work from 1st July 1926, provided the works are, as required by the resolutions forwarded with memo No 1253/24-25 dated 21st Mar 1925, completed and handed over to them by that date The Council fe that their financial position is such that they are absolutely unabl to meet the maintenance charges from 1st July 1925 It is part of th scheme that Government should themselves bear the maintenance and ope tion charges in full for the year 1925-26 or until such date as Gove ment complete the work The question of depreciation and indirect charges also cannot for the same reason concern the Municipality d-- during the year 1925-26 The deficit of about rupees one lakh referr to in the letter under reply would in the circumstances explained, be met by Government as hitherto a part of the Provincial Budget The -- present decision of the Council entirely in accordance with their previous resolutions on the subject referred to in Resolution No. (3) annexed to this letter

3 The revised estimate finally chosen resolved upon by the Council is also costly but it is in itself a large one and makes no small demand on the resources of the City The keen interest with a large number of rate-payers watched the proceedings of the pr vious meeting (held on the 16th instant) showed their anxiety in the matter of additional taxation proposed by the Council Bearing in mi the voluminous correspondence between the Council and the Government this subject during the past thirty years or thereabouts, the Council have taken a bold and courageous step in the matter of meeting the cos of the scheme in order to secure final and satisfactory settlement question The scheme necessarily involves additional sacrifices on the part of the rate-payers The present Government therefore, seems to be opportune for the Corporation of Madras to make an attempt at securing additional funds to meet the extra cost of maintenance and operation partially incurred, even before the new scheme adumbrated by the scheme completed and brought into working order When the works are actually completed and handed over or are about to be handed over to the Council it would be far easier for the Council to provide for -- the expenses in view of the responsibility taken by the Municipal Council in regard to this matter and the material sacrifices th

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are asking the rate-payers to make to render the new scheme a -- success, it would be equitable, I think, on the part of the Govern ment to generously waive the demand they now make on the Council When the new scheme is fully completed and notified to the Council, the Council will, I have no doubt, proceed to deal with it in the manner indicated in para 1 above and take over the entire work and provide for its maintenance and operation from its normal resources, which they expect to improve by then (Vide Resolution No 4 appended to the letter.)

I have the honour to be,

Sir,

Your most obedient servant,

M G Krishnaswami Rao

Municipal Commissioner

Forwarded with compliments,

Mohammad Abdul Hakim

Honorary President.

SK

NO. 39

PROCEEDINGS OF AN ORDINARY GENERAL MEETING OF THE CITY MUNICIPAL COUNCIL, BANGALORE, HELD ON SATURDAY THE 23RD JANUARY 1926 AT 8 P.M. IN THE COUNCIL CHAMBER

---oOo---

PRESENT.

Mohamed Abbas Khan, Esq. (Honorary President)

COUNCILLORS

1. Mr. V Narasimhappa,
2. " G.Muniyappa,
3. " Belur Sreenivasiengar, B A, B L,
4 " S.M H Razvi,
5. " G.Paramasiviah, B A, LL B,
6 " V Venkatesiah,
7. " C Siddaveerappa,
8. " E.Abdur Rahmon, B A.,
9 " B L Byanna,
10 " G.B Raghavendrachar, B A,
11. Mr R Copalaswami Iyer,
12 " C N Narasinga Rao, B A, B L,
13 " S N.Sitharama Rao,
14 " C Nyayadana Rao, B A, B L,
15 " S Venkataramgaiengar,
16 " N V Kalyanpur,
17 " D Venkataramiah, B A, L T,
18 " B.K Vijayadeva, M A, Bar-at-Law,
19. " V A Krishnamurthi Mudaliar, B A,
20 " M C Chicknanjundappa.

ABSENT

1. Mr B V Krishniengar,
2. " B.K Garudachar,
3. " C.K Hutchappa,
4 " A Ramachandra Rao, Sindia,
5. Rev. C F Thorp, B A,
6 Mr J R Isaac, B A, M B L,
7 " A Dharmaseelan Pillay,
8 " P Subbarama Chetty,
9 Mr P L Basappa.

Subject No 1 Letter No L 8358/11 127-23-7 dated 20-5-1925, from the Secretary to Government, Local and Legislative Departments, calling for farther information in the matter of taking over the maintenance and operation of the Water Works

Resolution ---

1 Resolved that the Council do affirm their resolutions dated 7th March 1925, according to which they are to take over the maintenance of the City Water Works, as from 1st July 1926 or from such date as the Government will hand over the Works to the Municipality, after completing the improved scheme of supply outlined in the Council's new scheme embodied in their said Resolutions

2 Resolved that the Council do inform Government that unless and until the new scheme referred to above, is completed and put through and handed over to the Municipality, it would not be feasible to take over the maintenance of the Works

3 Resolved that the attention of the Government be drawn to the fact that the said Resolutions of the Council agreeing to take over the maintenance of the completed works as from 1st July 1926 or from such later date

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Wr 127-23-10 To Wr
Wr 82/33
127/5/25

To

The Municipal Commissioner,
Municipal Council, Bangalore

Through

The President, City Municipal
Council, Bangalore

Sir,

In contiruation of this Office letter No L 8358/M1 127-23-7, dated the 20th May 1925 and in ~~continuation~~ connection with the - loan of 10 lakhs which the Municipality proposes to float for the improvement of the Bangalore City Water Works, I am - directed to observe that from the Municipal Administration Report of the City -- Municipal Council, Bangalore, for the year 192 -24 and the budget estimates for the current year, it is found that the Municipal Council will have on 1st July 1925 a balance as shown below -

Balance on 1st July 1924 (Vide Page 3 of the Adminis- Administration Report for 192 -24)		Rs 8,54,785
Deduct -		
Excess of total expenditure over total revenues of the year according to the current year's budget estimates		1,30,825
	Balance	7,23,960

2 Government consider that the demand on account of the water works should in view of its nature, have the first -- claim on the bulk of this large balance and that no other works, for which this balance may be ~~earmarked~~ intended, ~~have~~ --

compare with the requirements of the water works either in point of urgency or importance and that the works, if any, intended to be executed out of this balance will ~~xx~~ therefore have to lie over for the present

3 I am therefore to suggest that a sum of Rs 6 lakhs out of the cash and invested balances of the Municipal Council be spared for the improvement of the said water works I am to add that even after this ~~diversion~~ the Municipal Council would still have a lakh and a quarter and it should ~~sufficeah~~ suffice for meeting the other urgent demands if any, to which the council might have committed themselves A very early reply is requested

I have etc ,

L L Secy to Govt

No. 154 19174

Immediate

OFFICE OF THE CITY MUNICIPAL COUNCIL,

Bangalore City, Dated, 3rd. J.M.B.C. 1925

From

Mohamed Abbas Khan, Esquire,
HONORARY PRESIDENT, MUNICIPAL COUNCIL,
BANGALORE CITY

To

B. Nagappa, Esq., Bar-at-Law.,
Secretary to the Government of
His Highness the Maharaja of Mysore,
Local and Legislative Departments,
Bangalore.

Ml 127-23-11

SIR,

With reference to your letter No. L 8439/Ml. 127-23-10 --- dated the 27th May 1925, in re. floating of a loan for the improvement of the Bangalore City Water Works, I have the honor to state that the chief point adverted to in it, viz., the utilisation of the bulk of the balance at the credit of the Municipality, was duly considered by the Council and was after mature deliberation, both in Committee and in Council, deliberately thrown out by them as both inexpedient and financially objectionable from every point of view. The Council were guided in this matter not only by general considerations of policy but also by the particular trend of Government's own correspondence with them in this behalf for a long time past. The present proposal of Government it is needless to state, is against the whole weight of Government's own correspondence with the Council, since the inception of the existing Water Works, some thirty years ago. Apart from this, the question of diverting the funds on hand of the Municipality is open to at least two serious objections, either of --- which alone would be sufficient to turn the scale in favour of the proposal put forward by the Municipality. ---

(1) The proposed diversion of funds on hand would disable

the

the Municipality from holding a little margin of fluid cash whi is very necessary for a Municipality of this metropolitan type not only to avoid eventual complications but also to meet the immediate needs of the Municipality in diverse necessary directions

(2) The proposed diversion would make the present generatio pay in one lump sum for what future generations are also going to enjoy and ought therefore to pay for annually during a long period of time.

From neither point of view, the Council feel, does it seem just or equitable to ask them to go back on their scheme, which they respec fully urge is based on well understood and widely recognised financial principles A work of permanent public utility, like the Cit Water Supply, is in their opinion, best financed by means of a loan and Sinking and Depreciation Funds, the maintenance charges being separately paid for from year to year from other sources. The --- Council feel that the position now taken by the Government entirely ignores the policy underlying Water Works finance as followed all over India and in Europe, during the past half a century and again and again recommended to them by Government themselves during the past three decades

2. That this is so will be evident by a reference to the -- Government's previous correspondence with the Council in this matt The original scheme of Sir K Seshadri Iyer, outlined in his memorandum dated 27th January 1894, contemplated a capital expenditure of about Rs 14,00,000 (Excluding Rs 3,00,000 spent for storage pu poses at Hessarghatta) to be met "in the first instance" by Gove ment, "if" as he put it, "the Municipality on their part are prepared to make suitable financial arrangements for the maintenanc of the scheme and for the eventual repayment of the capital outlay of fourteen lakhs " He estimated the maximum annual payments required for these proposals as follows ---

Actual working expenses, i e., maintenance charges	Rs	68,000
Annual payment of a fixed sum into a Fund to be established for the purpose of meeting		

the

	Rs	68,000
the annual repairs and future replacement of engines, pumps, etc., i.e., a Depreciation Fund.	Rs	17,000
Annual payments required to liquidate the debt of Rs 14 lakhs in 41.035 years, i.e., a Sinking Fund to liquidate the loan advanced by Government.	Rs	70,000
T o t a l.	Rs	1,55,000

Sir K. Seshadri Iyer allowed interest at 4 per cent per annum on the principal sum advanced by Government and he proposed the annual payment being applied first to discharge the interest due and the balance left over from it, after such discharge of such interest, being applied to reduce the principal debt. He calculated that in a little over 41 years, the entire debt would be extinguished. To provide for the annual amount required, he proposed the levy of a more "extensive system of Octroi" as in North-Western Provinces, (now the United Provinces of Agra and Oudh) and Poona, which he described as "the least unpopular way of adding substantially to the present revenue, and "a revision of the house-tax." In commending his scheme to the Municipality, he drew pointed attention to the fact that "the question of additional taxation in some shape or other to pay for the proposed Water Supply is pressing for an urgent solution." If it was urgent then, it is even more so now, as the City has extended in area and grown in population within the past three decades. Sir K. Seshadri Iyer's original scheme, it will be seen, is practically the one adopted by the Council. The Council's present proposals provide for a self-supporting scheme of improvement, to which Government is requested to contribute only 1/3 instead of the usual 2/3 towards capital expenditure, it also provides for a loan from Government for the balance of 2/3 of the Capital expenditure, which it seeks to repay by means of a Sinking Fund. This fund is to be nursed from the proceeds of a revised scheme of taxation in which the house-tax does not figure. (for if it is raised, the water-rate would be raised authomatically to a higher figure than required,) and the increase in the water-rate is figured at the lowest possible figure, viz., from 3 to 4½ per cent on the rental value. It will thus be seen that though a water-rate may ordinarily

ordinarily pay for the water supply of a town, the increase on the rate has been advisedly kept at a bare minimum and other likely sources have been tapped so that there might be an even and equitable distribution of the total charges to be incurred for the purpose of an improved supply.

3. That the Council's proposals in this behalf are entirely in accordance with Government's directions issued from time to time will be apparent by a reference to the subsequent correspondence on the subject. When the original scheme of Sir K. Seshadri Iyer was actually completed in 1895 (Vide G.O. No. 171-LF. 194-94 dated 3rd July 1895), it was found that the total capital charges aggregated a little over 14½ lakhs. Government resolved to levy from the Municipality only a sum of Rs 8 lakhs, "treating the remainder of the actual cost as a free grant-in-aid from the State." It was also ordered that this sum of Rs 8 lakhs was to be paid by the Municipality, with interest at 3½ per cent per annum, "in easy instalments of Rs 35,000 per annum, so as to extinguish the debt in 60½ years." They further directed the annual payment of a fixed sum of Rs 12,000 into a Depreciation Fund, and for working charges and repairs, a further sum of Rs 44,000. The total annual charge to be paid by the Municipality was thus fixed at Rs 56,000. This amount was to be raised, according to them, by an extended octroi tax and higher water-rate, raising the latter from the proposed 2 per cent on rent value to 4 per cent on the same. This order of Government was, however, modified by Government in their Proceedings No. 596/L. F. 194-94 dated 11th July 1895, in which they stated:- "In the event of the Hessarghatta Scheme being hereafter enlarged, so as also to include a supply in whole or in part to the C. & M. Station, such modification will have the effect of reducing the annual payment required from the City Municipal Board to a figure appreciably lower than the sum of Rs 56,000 named in the Proceedings above quoted, - though at the same time the grant-in-aid, now proposed in the form of a lumpsum, in part remission of capital cost, would itself be capable of reduction and may have to take the form of an annual -

grant-in-

grant-in-aid payment from the Government to the Municipality." In other words, Government reserved the right to call in the whole remitted "Capital cost of about Rs 6½ lakhs substituting for it an annual grant-in-aid payment, (apparently towards cost of maintenance charges) or reduce the lump sum grant-in-aid itself. On receipt of this Order, a proposal was made before the Municipal Council (6th September 1895) that "a prayer should go to H. H. the Maharani Regent to remit the remainder of the original cost of Rs 8 lakhs." This was adopted but what action followed it is not clear. But at the same Meeting, the Council passed by a majority a further resolution that "The Government proposal be accepted with thanks for the liberal remission and that the Board adhere to its proposal to introduce Octroi." In 1897, when Bills amounting to over Rs 1½ lakhs, covering working expenses on the Water Works, were sent to the Municipality for adjustment, the Council found themselves unable to meet the same. On this, Government ordered (Vide letter No. 10229/L.F 3799 dated 11th February 1901) that if they could not adjust these charges out of their present income, they should explain why they should not raise loans to the extent required. Further Bills followed in successive years, and the position in 1901, was such as to call for further immediate action from Government. The Municipal Council said, (letter No. 157 dated 11th March 1901) that they would hand over whatever sum they realise every year by the levy of a water tax at 3 per cent on the rental value of houses and for the rest they pleaded inability. Government, meanwhile, had sanctioned the proposed levy of a water rate of 3 per cent on rental value as a "tentative measure," and observed that it would be liable to enhancement, if the proceeds were found insufficient to meet the annual charges of the Water Supply of the City. (G.O. No. 5708-10/L.F. 37-99 dated 26th October 1900). But even this rate did not suffice to meet the situation. Meanwhile, the people by public petition prayed for the remission of the proposed levy at 3 per cent but this was refused by Government. (G.O. No. 16362-4/L.F. 37-99 dated 5th April 1902). Government refused even to defer its levy urging that the Municipality should improve its revenue at the same time. The

Chief

Chief Engineer (in his letter dated 10th April 1902) proposed, on a consideration of all the circumstances of the case, that though the Municipality was unable to meet the capital cost of the scheme, it should contribute 1 per cent interest on Rs 8 lakhs, the portion of capital cost debited to it, and a sum of Rs 72,000 "should be rigidly extracted from the Municipality in future and no excuses for non-payment accepted and it must make such arrangements that the money is forthcoming with-out fail." To make up this contribution he proposed the increase of the Water tax from 3 per cent to 4 per cent on the rental value of houses, bringing in Rs 30,000 (as against 6 per cent in C. & M. Station) and from Octroi, he would expect Rs 17,130, from tolls, Rs 21,000, from excess water used Rs 2,000 and from other heads Rs 2,000, making in all Rs 72,000. With a view to raise this amount, Government directed, (Vide No. 18677-L.F. 11-190 dated 29th May 1902) that the Budget estimates of the Council should be submitted to them in the manner specially laid down by them. As a result of this communication, a Special Sub Committee of the Council sat to consider the question and they resolved that they could pay only a sum ranging from Rs 25,000 to Rs 30,000 annually to Government towards the maintenance charges of the Water Works. This recommendation was accepted by the Council on 28th August 1902 and it was submitted to Government with the recommendation that the Council could not see their way to pay anything more than Rs 30,000 per annum towards the maintenance charges. This meant that Government was to make good, i.e., contribute the balance of Rs 42,000 annually towards the maintenance charges. Thus, the position in 1902 was this Nothing had been paid into the Depreciation Fund, nothing had been paid into the Sinking Fund, which was to be maintained to pay off the Rs 8 lakhs representing the unremitted portion of the capital cost, and a balance of about 3½ lakhs had accumulated as arrears of maintenance charges towards which nothing had been paid by the Municipality. The Government reviewed the whole position in their order No. 4720-3/L.F. 37-99 dated 4th June 1904 and directed that though "the raising of the water-rate from 3 to 6 per cent as in the C. & M. Station and a revision

of

of house and shop taxes will no doubt bring in an increased revenue" they were against such a proposal because the time for increasing these taxes was not an opportune one, for the people had "suffered a great deal from Plague" and that therefore they "should not be subjected to additional taxation." They directed accordingly, (1) the writing off the whole of the accumulated arrears of maintenance charges amounting to about 3½ lakhs and charging the same to State Funds, and (2) the payment by the Municipality from and after -- 1903-1904 the entire annual proceeds of the revenue from Water tax and tolls, amounting to about Rs 39,000, subject to a minimum contrib on of Rs 30,000 per annum, "towards the annual maintenance charges of the Water Works, the balance required being borne by the State." They added -- "This arrangement will be in force tentatively for three years from 1st July 1903 and its continuance after that period will depend on Government being satisfied that assessment and collection of taxes have been placed on a proper basis and that arrears have been satisfactorily disposed of. It is to be -- clearly understand that Government will not support a slovenly Municipal administration by means of grants from State Funds." On this the Municipal Council made (Vide letter No. 38 dated 22nd July 1904) a further representation that the amount of maintenance charges to be collected from them should be limited to Rs 30,000, as otherwise useful and urgent Municipal works would be indefinitely held over for want of funds. Though this request was at first rejected by Government, (Vide Proceedings No. 1312-64-2/M1. dated 13th August 1904) they had ere this, on the 4th June 1904, appointed a Finance Committee at the head of which was Mr. H. Eagles, then Comptroller to Government, to go into the finances of the Council and report to them with a view to placing them on a firm and efficient footing. This Committee found that the Municipal Receipts and expenditure could not be balanced and suggested among other things "the raising the water rate from 3 to 6 per cent as in the C. & M. Station, so that the entire revenue therefrom, amounting to nearly Rs 40,000 may exclusively be alloted towards the maintenance of the Water Works.

Government

Government in their Order (No. Fl. 4815-21/Ml. 88-04-4 dated 3rd February 1906) took a favourable view of the Municipality's request and limited with effect from 1906-07 the Municipality's contribution towards the cost of maintenance of the City Water Supply to ---- Rs 30,000 a year, all excess realised by the levy of the water-rate, etc., being utilised by it for ordinary works. Since the passing of this order, the sum of Rs 30,000 has been regularly paid towards the annual maintenance charges though the water-rate was in the earlier years of this period, (1907-1922) was actually below this sum. Little or no change was effected in this arrangement until thirteen years later, when the Government appointed a Committee under the --- Chairmanship of the then First Member of Council, for considering the question of the apportionment of charges between Government and the Municipality in regard to Water Works. The Committee, which was constituted on 9th March 1920, met on 5th July 1920, and submitted its recommendations. As regards annual maintenance charges, it recommended that the Municipality should hand over to Government the whole of the amount realised from water tax and excess water charges, i.e., Rs 40,000 to the Government, that it should make immediate effort to increase its income under "Water Taxes" so that it might meet the -- working charges, to reduce which every effort should be made by the Water Supply Department, that when the income is sufficient to meet the expenditure, the Municipality should take over charge of the wor and that the period during which it should improve its income and pr pare itself to take over charge of maintenance should be fixed at si years and that during this period, the P. W Department should try t reduce the [redacted] expenditure so that the concern might become a sel supporting one so far as maintenance charges are concerned. As regards Capital cost, the Committee recommended that all future capita outlay, including the cost of improvements or extensions of the exis ing supply, should be borne by the Municipality and that it might -- float loans whenever necessary, in case the realisation from the sal of sites in the new Extension are found insufficient to cover the co Government, in passing their orders on these recommendations, observe (G.O. No. L. 6058-6/Ml. 176-10-23 dated 19th April 1922) that the

Note

water-rate of 3 per cent on the rental value of houses levied by the Municipality is a "very low rate as compared with the rate of taxation in the Civil and Military Station Municipality, where water-rate is levied at 6 per cent on the rental value of the buildings." They add that even the "small collection" resulting from the rate is not entirely paid to Government, as the Municipality retains --- Rs 10,000 out of Rs 60,000 collected by it under this head. This, they direct, should be made over in full to Government, besides the excess water charges, which were then heavily in arrears. They then add.--- "The supply of drinking water is one of the primary duties of a Municipal Council and there is no reason why the Bangalore City Municipal Council should not pay the whole of these charges, enhancing the water-rate to the extent necessary to make the scheme self-supporting. In the Civil and Military Station, the incidence of water-rate per head of population amounts to Re 0-14-2, while in Bangalore City, it is only Re. 0-5-5." As regards the future policy in respect of the maintenance of the Water Supply system, Government directed that the "entire charges" should be borne by the Municipality from 1st July 1924, half the deficit, if any, in 1923-24, being borne by the Municipality. In the meanwhile, the Municipality was to take steps to "raise the rate of water-tax under Section 59 of the Mysore Municipal Regulation, so as to balance the income and expenditure." Government, however, in their order No. L. 5242-46/M1. 13-1-24-3 dated 22nd June 1925 undertook to bear from State Funds the maintenance charges for the year 1924-25. Further correspondence followed in the next two years on the subject of maintenance charges in consequence of the collections from the water rate and excess water used being found insufficient to meet the entire maintenance charges incurred by Government. In their letter No. L. 7899/M1. 203-21-3 dated 7th June 1925, Government directed the Municipality "to take prompt steps" to "raise the existing rate of water tax and to improve the income of the Municipality from other sources." Again, in their letter No L. 5849-50/M1. dated 24th January 1924, Government again asked the Municipality "to expedite submission of definite proposals for the revision of the existing rate of water tax in the Municipality.

Municipality." Further letters followed on this subject. (Vide for example, letter No. L. 844 dated 29th July 1924) Meanwhile, the deficit on the maintenance charges continued. The deficit for 1922-23 was found to be slightly over Rs 2 lakhs, including the "working expenses", or without it, about Rs. 68,500/- (in round figures). In communicating this position to the Municipality, Government drew [illegible] pointed attention to the Chief Engineer's note on the subject and directed the Municipality to consider his suggestion for improving the finances "to meet the water charges," and prominent among the suggestions of the Chief Engineer, (See his note dated 5th April 1924) was the raising of water rate from 3 to 6 per cent on the rental value of buildings. In accordance with the recommendations of the Special Committee of 1920, the Municipality have requested Government to bear these charges for the year 1925-26 as well and hand over the works to them, as an improved and completed scheme, by or before the 1st July 1926, so that they (the Municipality) can take over the entire maintenance and operations as from 1st July 1926 and pay for the same in full from their own resources. (Vide letter No. G.T. 146 dated 25th May 1925). Ere this, the Residency had raised the question of improving the Water Supply of the C. & M. Station and had made certain proposals to Government. In referring these proposals to the Municipali Government remarked, (Vide letter No. G. 6030/P.P. 30-24-10 dated 4th February 1925) that the City Municipality should bear half the cost o the improvements common to City and C. & M. Station, i.e., about 2½ lakhs for raising the weir and providing shutters, a new common duct and an additional filter for filtering half million gallons more per day, also, a new rising main as the present one is inadequate and a duplication is required, costing Rs 8 lakhs. The total cost [illegible] to the City Municipality of the proposed improvements was thus estimated to cost about Rs 10 lakhs In view of the fact that the Municipality was required, under the orders dated 19th April 1922 and 13th September 1922, to bear the capital cost of improvements to the Water Supply, Government desired to know "the views of the Municipal Council on these proposals to finance the scheme, i.e., if they would raise a loan providing interest and Sinking Fund charges therefrom from th

[illegible]

enhanced water tax and the additional water tax which might be levied on further extensions of the distribution system in the City." It is in connection with this letter, to which an "early reply" was requested, that the Municipality has submitted its scheme of a loan providing for interest and Sinking Fund charges as detailed in my letter No. 123 dated 21st March 1925. I would add that the duplication of the main has been again and again insisted upon by the Chief Engineer as a necessity and he has in one of his recent letters, (No. 3594 dated 13/16th October 1923) stated that "if the duplication of the main in not taken up immediately, the situation may become critical." He added --- "The Water Supply to the City cannot be considered safe until the main is duplicated." The Executive Engineer, Water Supply Division, in his note submitting the estimate for the duplication of the Rising Main, remarked thus.--- "In the interests of the Bangalore Public, who are mainly depending upon tap water, it is very essential to duplicate the line before the commencement of next summer, failing which, adequate supply to all quarters of Bangalore becomes almost an impossibility." So, critical, indeed, had the position become at the beginning of last March that the Chief Engineer definitely suggested (in his letter No. 12248 dated 4th March 1925) that the consumption of water should be reduced and that it should be kept within the pumping capacity of the existing rising main and that for attaining this necessary object, he proposed inter alia that the Municipality should not sanction any new house connection till after the hot weather. This had to be agreed to by the Municipality. (Vide letter No. 2079 dated 11th March 1925).

4. From the above running summary of Government's correspondence with the Municipality, certain facts emerge. Among these, the most important are the following --- (a) That the Water Supply scheme should be financed from a loan with a Sinking Fund for repaying principal and interest and a Depreciation Fund for meeting the annual repairs and future replacement of engines, etc.,. (b) That the Municipality should increase its revenues by levying an extended octroi and a water rate at 6 per cent as in the C. & M. Station to meet the loan and Sinking Fund and (c) That the Municipality should pay up the unremitted part of t

capital

capital charges, i.e., 8 lakhs under the Sir K. Seshadri Iyer's D
at the rate of interest fixed by Government in their order of 1899.
In regard to this unremitted part, Government tacitly gave up their
claim as per recommendations contained in the memorandum of Col. --
Campbell, dated 10th April 1902, and later specifically endorsed in
the order Government passed on the Special Committee's recommend-
tions on 19th April 1922. Though the Government formally maintain
and annually communicate to the Municipality a statement of capital
cost of expenditure incurred on the works, it has no where been sug-
gested that the Municipality is to make good the huge sum, aggregati
nearly Rs 70 lakhs on 30th June 1924, from its funds, even if it ---
possessed the capacity to do so. The claim as to Capital cost, must,
therefore, be held to have been virtually, if not actually, given up
in full by Government with no chances whatever of its resuscitation
against the Municipality, now or at any time hereafter. As to the
two other facts, (a) and (b) mentioned above, as directly deducible
from the Government's correspondence with the Municipality, it is
clear that Government have insisted on the Municipality raising a --
loan for the payment of meeting the future capital cost of the City's
Water Works and tapping additional sources of revenue including an
increase in the levy of the water-rate, raising it from 3 to 6 per --
cent on the rental value for paying the principal, interest and for
meeting the Depreciation and annual maintenance charges. They have
sent many insistent letters on the subject and have directed prompt
action on the part of the Municipality in this matter. Not only tha
they have also adverted to the evil consequences of delay. The Chie
Engineer has even urged the cutting down the consumption of water --
during the hot weather by refusing new house connections. In one of
their latest letters, that dated 24th June 1924 quoted above, --
Government refer to the suggested increase in the water-rate and urg
the submission of definite proposals in the matter. In view of this
correspondence, it would, the Council feel, be impossible to maintai
that the Municipality should give up its well-considered scheme, in-
volving the financing of capital expenditure now urgently required b
means of a Loan and Sinking Fund for meeting the principal and inter

etc

and maintaining a Depreciation Fund as well to meet annual repair charges and replacement of Engines. The question of meeting the annual maintenance charges will, as stated in my letter No. 146 dated 26th May 1925, be separately dealt with by the Council, when the time is ripe for it. The Government are doubtless aware that the Municipality has had for some years now, certain funds aggregating from Rs 7 lakhs to Rs 12 lakhs. If the financing of the improved Water Works Scheme could have been, without objection, met from those funds, the solution could have been reached long ago. The objections however, to this course being adopted were many and serious and the fact that these objections were recognised by Government as insuperable then hold good now as ever before. While on principle the diversion of these funds for the purpose of Water Works cannot be justified, the fact that they are required for other purposes of an insistent character has only to be stated to be admitted by Government

5. Apart from the objections above mentioned, there is, the Council fear, an apparent misconception on the part of Government in the matter of the funds actually on the hands of the Municipality. Government, in their letter under advertance, refer to the Municipal Administration Report for 1923-1924 and the Budget Estimates for the current year and state that the Municipality will have on 1st July 1925, a balance of Rs 7,23,960. This figure does not appear to be quite correct. According to the Municipality's draft Budget submitted to Government with their letter No. 143 dated 21st May 25 the Municipality will have on the 1st July 1925, only a sum of Rs 5,67,500 in Deposit and Investment Accounts, leaving out of consideration a sum of Rs 54,681, which will be in current account. As against this amount, the Council have already resolved upon utilising during the next year, i.e., 1925-26, a sum of Rs 2,73,000 for urgent improvement works, which are of a part-done nature and which cannot for reasons of obtaining increased revenue, therefrom be postponed for any length of time. These works, if not completed without delay, would mean loss of promising revenue and thus lead to depression in Municipal finances which would have to be deplored hereafter. Taking it for granted, that these works should be financed from the funds hand, the balance under the Municipality's deposit and Investment

Accounts

Accounts at the close of 1925-1926, will be only Rs 2,94,000. This amount cannot, the Council feel, be described as either heavy or unnecessary. Apart from the duty of maintaining the statutory cash balance and a certain amount for meeting unforseen charges that might at any time arise, the position of a metropolitan Municipality with a practically empty purse can readily be imagined. The dangers to which the Municipality would be subject, in such a position, especially in this City, need only be adverted to carry conviction to the minds of the Government. The Council feel that Government will, on a further consideration of this matter, agree in the view taken by them (the Council and give up the suggestion put forward by them (the Government), in their letter under reference and sanction in their entirety the proposals sent up by them, after a mature and careful consideration of all the relevant facts of the case. The Council have no doubt, whatever, that the Government will more readily support the position taken up by the Council in this matter, when they remember that much of the present difficulty experienced by the Municipality in regard to its Water Work has been directly due to the non-adoption, in principle and in fact, of Sir K. Seshadri Iyer's well considered scheme of a Loan (with an adequate grant-in-aid from Government) and Sinking and Depreciation Funds, with a suitable re-organised system of taxation If that scheme had been adopted in its entirety, the renewal charges might have been met from the Depreciation Fund and the capital cost would have been met, as required, and the City would have had an adequate supply of Water. The present position as to Water Supply being altogether an impossible one, it is necessary, in the Council's considered opinion, to meet it by the adoption of the very scheme that Sir K. Seshadri Iy suggested thirty years ago and which Government have, again and again at the instance of successive Chief Engineers, advised the Municipali to adopt. The Council feel sanguine that Government will, in this vi of the matter, agree with the proposals of the Municipality and sanct them at as early a date as may be practicable.

I have the honour to be,
Sir,
Your most obedient servant,

Honorary President.

SM

G. R. S. VI—G/32]

SUBJECT ..

Diary No. of letter replied to 6644

General and Revenue Secretariat
(L & G)
, *the* *192*

Date of issue 6th June 24

Signed by .. Mr VRS

Section Md
File No 127-23
Serial No. 76
No. L 9530

To

The President,
City Md Cl
Bangalore

Sir,

With reference to correspondence ending with your letter no 205 of 23-24 D) 4/6/24 in the matter of the Md Cl taking over the Complete Charge of the Bangalore City water Supply maintenance, I am directed to ~~invite attention to the letter~~ observe that your letter is silent about the ~~Council's~~ suggestions of the Chief Engr embodied in a note, forwarded to you with the office letter no L 8749/Md

~~Its Communication by~~

WD 6888 GPS—1000K—16-9-24

PTO

127-23-2 of 4/5/44 and to request you to be so good as to place the suggestions specially before the Council for consideration at the meeting proposed to be held on and their views on this may also be ascertained & reported

I have etc

Fa Lindsey

List of enclosures.

Copied by

Examined by

D. 210

38430 OFFICE OF THE CITY MUNICIPAL COUNCIL,

Bangalore City, Dated... 14th J .L. N .E 192 4.

From G. KRISHNASAMI RAO, Esq., B.A.,
MUNICIPAL COMMISSIONER, MUNICIPAL COUNCIL,
BANGALORE CITY.

CENTRAL REVENUE SECRETARIAT. 16 JUN 924

To 18 JUN 1924 Nagappa, Esq., Bar-at-Law,
Secretary to the Government of
His Highness the Maharaja of Mysore,
Local and Legislative Departments,
B a n g a l o r e

Sir,

With reference to your letter No. L 9530/A.1 127-23-6 dated 6th June 1924, calling for the views of the City Municipal Council in the matter of taking over complete charge of the Bangalore City Water Supply maintenance by them, I have the honor to state that the subject will be placed before the Municipal Councillors at a Special Meeting to be convened --- soon after the Birthday Session of the Representative Assembly at Mysore is over and their views communicated in due course.

I have the honor to be,
Sir,
Your most obedient servant,
G. Krishnasami Rao
Municipal Commissioner.

L.R.

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Bangalore City Municipal Office,

Bangalore City, Dated, 7th July 1925

STRICTLY CONFIDENTIAL

Dear Sir,

Since my last interview with you I feel I should inform you of the feeling prevailing among a large number of our Councillors in the matter of financing the City Water Works and the Improvements

2 The City Water Works require something like Rs 10/-lakhs Out of this the Government should pay 1/3 -- i.e., Rs 3 1/3 lakhs Of the balance, I tentatively told you that I would be able, not without some difficulty, to obtain the assent of the Council to grant of Rs 1/-lakh from our savings and Rs 5 2/3 lakhs would be the Loan required from the Government at 5% interest This is the utmost we could agree to, consistently with the City's requirements as regards improvements of a kind that cannot wait over The grant of Rs 1/-lakh from our savings I agreed to, as you will readily recall, most reluctantly but there was no go for it seeing that you were very keen on it This being so, the grant from our savings should not on any account be now increased nor should Government seek to decrease their contribution of Rs 3 1/3 lakhs Either of these steps would render the position impossible I hope and trust that you will be pleased to view the matter in not only a sympathetic but also a generous spirit

3 The effect of a grant of Rs 2/-lakhs for our savings would greatly cripple our scope for improvements Paying out would receive immediate check, and the finding of resources to ward off extra expenditure to be incurred on the maintenance of Water Works and other growing charges would be rendered wholly infructuous It seems to me it would be a case of killing the goose that lays the golden eggs I would earnestly implore the Government not to

overlook this fact Improvements are required not only to improve the health and sanitation of the City but also the finance of the Municipality More taxation is unthinkable now and for many years to come and so we feel that Improvements of a kind that will pay us and add to our financial resources should be carried out promptly and with a sure business outlook Hence I plead for a just and reasonable policy in this matter from the Government

4 The proposed decreasing of the Loan period will not, I think, prove a wise step in the long run It will take away more money from us annually This amount, while it cannot substantially add to the Government's finances, will certainly cripple our resources Loans of this nature ought in principle pay themselves out without their burden being felt by the parties concerned Since the Municipality has from 1st July 1926 to meet the maintenances charges as well, if the annual instalment to be paid to Government on the Loan is increased by a decrease in the period of repayment, the result is bound to be detrimental to the Municipality's finances While it will be ~~to~~paying away more than it can afford to do, consistently with its duty to its ratepayers, it will be disabling itself from carrying out very necessary and paying Improvements in the City In the years to come, these Improvement works are bound to increase, and Government should in view of their declared policy, not come in the way of the Municipality seeking to carry them out On the other hand, we feel that Government should come forward and help us with larger grants for opening out our slum areas during the next few years to better the health and sanitation of the City

5 I would respectfully add that Government should adopt the whole ~~scheme~~ scheme as sent up by us to Government --

subject to the proviso of 1/3 grant of the total cost Rs 10/- lakhs by Government and a contribution of Rs 1/-lakh from o.c savings, if the latter is found absolutely necessary Any further whittling away of the scheme would prove, in my - - opinion, wholly unwelcome to the Council It might render abortive our present attempt to carry out the crying need for improving the City's Water orks before 31st December next i e , well in advance of the next hot weather

6 Any order that Government might desire to pass in this matter may, if you see no objection to this course being adopted, be shown to me informally, so that I might offer any suggestions I might deem necessary, in the interests of both Government and the Municipality I may add that informal refererces of this kind have been made to my predecessors in the unicipal Presidentship ere this This suggestion is only to save unnecessary and formal referenc@s from the unicipality to Government hereafter These references may not be entirely conducive to a happy settlement of the points at issue

Yours Sincerely,

Mohammed

Honorary President

TO

Sir A R Banerji, Kt , S S I , C I E ,

Dewan of Mysore, Bangalore

BVN

Mil 127-2313 L

88

Proceedings of the Government of His Highnes the Maharaja of Mysore.

1509

R e a d --

1 Para 5 (1) of Government Order No L 6058-65/Ml 176-19-25 dated the 19th April 1922, directing among other matters that the entire charges for water supply to the Bangalore City should be borne by the City Municipal Council from 1st July 1924

2 G O No L 5242-46/Ml 131-24-3 dated the 22nd January 1925 directing that in the circumstances stated, the maintenance charges of the water supply to the Bangalore City for the year 1924-25 be met from State Funds and that the Order of 5th April 1922 requiring the Municipal Council to bear the whole charges be enforced from 1st July 1925

3 Chief Secret ry's letter No G 6030 P P 30-24-10 dated the 4th February 1925 calling for the views of the Municipal Council on certain improvements proposed in the existing system of water supply to the City of Bangalore at a cost of about Rs 10 lakhs.

4 Letter No 122/24-25, dated the 18th/21st March 1925 from the Municipal Commissioner, Bangalore City, submitting the resolution of the Municipal Council

unanimously accepting the recommendation of the Chief Engineer to duplicate the rising main from the Pumping Station to the Combined Jewell Filters and to effect certain improvements to the Water Works at a cost of about Rs 10 lakhs and suggesting ways and means for financing the scheme

5 Correspondence ending with letter No, 146/24-25 dated the 25th May 1925 from the same Officer stating that when the proposed scheme is finally completed and notified to the Council, they will take over the entire water works - and provide for their maintenance and operation from their normal resources

6 Further correspondence ending with letter No 154 dated 3rd June 1925 from the President, Bangalore City Municipal Council, ~~giving a previous history of the water supply question~~/explaining ~~how~~ that the cost of the improvements could not be met from the existing resources of t h e Council and requesting sanction to t h e proposals sent up by the Council

a)

ORDER NO 1509-512

Bangalore, 22nd/23 July 25

The original scheme of the Hessarghatta Water Works as outlined in Sir K Seshadri Iyer's Memorandum of 27th January 1894 contemplated a capital expenditure

of Rs 3 lakhs on Storage and of 14 lakhs on Lifting, Delivery and Distribution - works In that Memorandum, Government offered to defray, in the first instance, the entire capital cost of the scheme required for Storage, Lifting, Delivery and Distribution works if the Bangalore Municipal Board on their part were prepared to make suitable financial arrangements, in accordance with the prevailing practice elsewhere, for the maintenance of the scheme as well as for the eventual repayment of the capital outlay with - interest in annual instalments As the ther income of the Municipality was just sufficient for its ordinary expenditure, Sir Seshadri Iyer suggested that the resources of the Municipality might be increased by

(i) a more extensive system of octroi,

(ii) the revision of the house tax and

(iii) the imposition of a separate water tax if necessary.

He added that until the question of additional taxation in some shape or other, to pay for the proposed water supply was decided in a satisfactory manner, it would not be possible for Government to decide on the extent and form of State help that could be rendered

2. The President of the Municipal

Board, in his letter dated 19th July 1894 accepted the principle of defraying the maintenance charges as well as the capital cost from the Municipal funds, but pleaded the inability of the Board to meet any share of the capital cost. He accepted to find the expenditure required for maintenance charges to the extent of Rs. 60,000 per annum by expanding the octroi revenue and by the imposition of additional taxes, for which he sent up specific proposals. He added that if it was not possible to exonerate the Municipality from the payment of the capital cost, the question might be deferred for consideration until the financial position of the Municipality improved. On these proposals, Government resolved in their Order No. 171/L.B. 194-94 dated 3rd July 1895 to levy from the Municipality a sum of Rs. 8 lakhs only towards the capital cost of the Water Works, the amount being repaid at Rs. 32,000 per annum for a period of 60 years and to treat the remainder as a free grant-in-aid. The estimated payments on account of the working charges were found to be Rs.44,000 per annum and so the total amount leviable from the Municipality both for repayment of the capital cost as well as for annual maintenance charges was fixed at Rs. 88,000 per annum for a total supply of 240,000 gallons of

water per day. Should any portion of water not required for the Municipality be otherwise disposed of, the price realised was to be applied to reduce the amount leviable from the Municipality, but the Municipality would be liable to any excess over Rs. 44,000 that was actually incurred for working expenses. As regards ways and means for finding the required amount, Government suggested the amendment of the Municipal Regulation for bringing into force an extended system of octroi and for the levy of a special water tax. The law was suitably amended in 1899 and Government sanctioned in 1900, the levy by the Municipality of a water tax at 3 per cent on the rental value of occupied buildings as a tentative measure which was liable to enhancement if the realisations were found insufficient to meet the annual charges.

3. The above arrangement was however not carried out by the Municipal Board and the annual charges were allowed to fall into arrears. In February 1901, when arrear bills to the extent of Rs.2,17,858 were presented to the Municipal Board for payment, they resolved that owing to want of funds and their inability to raise a loan they could pay only the sum that was collected as water tax, until their financial conditions improved. The then Chief Engineer Col McNeil Campbell investigated the question and submitted a memorandum to Government in April 1902.

He proposed that, in view of the financial position of the Municipality, all payments on account of capital cost be waived and that the arrears then outstanding be remitted. He, however observed that a yearly sum of Rs.72000 should be rigidly collected from the Municipality, viz. Rs.50,000 on account of annual maintenance and Rs.21,236 on account of depreciation and that no excuse for non-payment should be accepted, the Municipality being required to make such arrangement as that the money was forthcoming without fail. These proposals were extremely liberal, for, not only was the Municipality exempted from all payment on account of capital cost but the whole of the maintenance charges, for the first four and a half years were proposed to be remitted. In order to find the required amount Col.McNeil suggested the enhancement of the water tax from 3 per cent of the rental value to 5 per cent. He estimated that the required annual payment could be met by the municipality on the basis of the following figures -

From Octroi	...	Rs.17,130.
,, Tolls	...	21,000.
,, Water Tax	..	30,000.
,, Excess Water Charge		2,000.
Total		Rs.70,130.

The Municipal Board resolved that they could not pay more than Rs.30,000

Senior finance Member

without impairing their efficiency. Government were however not in favour of enhancement of water tax as they felt that the people have suffered a great deal from plague and consequently should not be subjected to additional taxation. As it was found that without additional taxation, the Bangalore City Municipality could not proceed for other necessary works, bearing the entire charges of maintenance, the Government directed that the arrears of maintenance charges amounting to Rs.3,44,773 be written off and that from and after the year 1903-04, the entire actual proceeds from the water tax and tolls, which approximately came to Rs.39,000, subject to a minimum contribution of Rs.30,000 be assigned from municipal funds towards the annual maintenance charges of the water works, the balance being borne by Government. This arrangement was ordered tentatively for a period of three years from the 1st July 1907. continuance after that period was made dependant on Government being satisfied that assessment and collection of taxes were placed on proper basis and that arrears were satisfactorily collected The Municipality was however not willing to accept this settlement and urged that their annual contribution be limited to Rs.30,000 only and not extended to whole amount of revenue collected from water tax and tolls. A Special Finance

Committee was then appointed to scrutinize among other matters the finances of the Bangalore City Municipal Council and they suggested the increase of water cess from 3 to 6 per cent and the setting apart of the revenue of Rs.40,000 expected therefrom, towards the annual maintenance charges, thereby setting free the collection from tolls etc. for the improvement of the general resources of the municipality. In case this increase of water cess was not viewed by Government with favour, they recommended that a fixed sum of Rs.30,000 may be recovered from the Municipality. In their order No.Fl.4815-21/Ml 88-4-4 dated the 3rd February 1906 Government accepted the latter alternative and directed that with effect from 1906-7, the contribution by the Municipal Council towards the maintenance of water supply works be limited to Rs.30,000.

The system sanctioned above being found far from satisfactory Government in their Order No. R. 10401-6/Ml. 176-19-1 dated the 9th March 1920, constituted a Committee for considering the question of apportionment of charges for the water supply and electric lighting for the Cities of Bangalore and Mysore between the Government and the two Municipalities concerned. The Committee made the following recommenda-

tions in respect of water supply --

(a) Maintenance Charges.

(1) that the whole of the amount realised from water-tax and excess water charges by the two Municipalities be handed over to Government towards the annual maintenance charges,

(2) that the two City Municipal Councils do make an effort to increase their income under "Water-taxes" so that they might meet the working charges, ~~to reduce which, every effort should be made by the Water Supply Department.~~

(3) that, when the income is sufficien to meet the ~~xxxxxx~~ expenditure, the Municipalities may themselves take over - charge of the works, and

(4) that the period during which the Municipalities should improve their income and prepare themselves to take over charge of maintenance should be fixed at six years in the case of Bangalore City and eight years in the case of Mysore City and that, during this period, the Public Works Department, should try to reduce the expenditure so as to enable the concern to become self-supporting in regard to maintenance charges;

(b) Capital Cost.

(1) that all future capital outlay including the cost of improvements or extensions to the existing supply be borne

by the Municipalities, and

(2) that the Municipal Councils may float loans whenever necessary, in case the realisations from the sale of sites in the new extensions are not sufficient to cover the cost

In view of the large increase in the cost of operation, Government observed in their Order No 6058-65/M1 176-19-21 dated 19th April 1922 that the sum of Rs 30,000 fixed for the maintenance charges of the Bangalore Water Supply in 1906 was insufficient and accordingly laid down the following policy to be adopted in future in respect of maintenance charges --

(1) ~~that~~ the entire charges for water supply to the Bangalore City should be borne by the City Municipal Council from 1st July 1924, ~~that~~ for the year 1922-23 the Municipality should pay over to Government the entire collections under water-rate and excess water charges,

(2) ~~that~~ Half the deficit, if any, in the year 1923-24 should be borne by the Municipality in that year,

(3) ~~that~~ Steps should be taken in the meantime to raise the rates of water-tax under Section 59 of the Mysore Municipal Regulation so as to balance the income and ~~the~~ expenditure.

Government directed in their Order No 2469-71/M1 176-19-27 dated the 13th Sep-

September 1922 that the Capital cost of all future developments of the Water Supply Scheme in the Bangalore City should be borne by the Municipality.

6. In December 1922, however, the President pleaded that owing to the depressing conditions then prevailing, the recommendations of the Special Committee appointed in March 1920, to bear the entire maintenance charges might be considered after the lapse of six years from July 1920. This proposal was not accepted and he was accordingly informed that the orders of 1922 could not be reconsidered. Under the orders of April 1922, the Municipal Council had to bear the entire maintenance charges of the water works from 1924-25. Owing however to the fall in octroi revenues as well as on account of trade depression and other circumstances, Government, in their Order No. L.5242-46/ Ml. 131-24-3 dated the 22nd January 1925, directed that the levy of the entire maintenance charges might be deferred till 1925-26, from which period the Order of 1922 would be strictly enforced.

7 In the meantime, the existing water supply available in the Hessarghatta Reservoir has been found to be inadequate to meet the present day requirements of the City and the Civil and Military sta-

Station and in consequence, frequent rationing has had to be resorted to in both the areas. The question of improving the storage has now been considered and on consultation with the Residency, it is found that the capital cost that has to be met by the Bangalore Municipal Council is as follows:--

1. Works common to the Civil and Military Station and the City.

(a) Raising the Weir of the Hessarghatta tank by five feet.	...	Rs.2½ lakhs.
(b) New duct from the sluice to Tharabanahalli.	...	Rs.4½ lakhs.
	Total.	Rs.6¾ lakhs.

Half of this to be met by the Municipality amounts to ... Rs.3,25,000

2. City Works.

Duplicating the rising main.	Rs.6,60,000
Total.	Rs.9,85,000

or Rs. 10 lakhs roughly.

The Municipal Council have also proposed some minor improvements amounting to about Rs. 80,000.

The Municipal Council, who were consulted, have expressed their general agreement with the proposals. They are willing to meet a capital expenditure amounting to Rs. 10 lakhs. As regards the manner in which the amount is to be found, they suggest that one-third of the amount may be paid by Government as a grant and that the balance may be

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found by raising a loan carrying interest at 5 per cent, In order to meet the sinking fund and interest charges payable on account of the loan, the Municipal Council proposed to levy certain additional taxes and to enhance certain existing - taxes and tolls as follows --

A Imposition of new Taxes

(a) Taxes on coffee hotels, messing hotels, private cart-stands, private markets

(b) Taxes on Cinemas, Dramatic performances, Circus etc

B. Revision of existing Taxes and Tolls.

(a) Enhancement of the water-tax from 3 to 4½ per cent on the rental value of the buildings, from 3/5th percent to 1 per cent of the building tax in the case of vacant sites, and in regard to buildings used as shops and Mandies from 1 per cent to 3 per cent on their rental value

(b) Enhancement of tax on vacant sites from 4 anras to 8 annas per 100 sq yards

(c) Doubling toll rates on vehicles and animals as follows --

1	On every Jutka or cart drawn by men, bulls, bullocks, horses, asses or mules(laden) from	2 As	to 4 As	
2.	do (unladen) "	1 "	to 2 "	
3.	On every motor car	4 "	to 8 "	
4.	On every motor cycle	2 "	to 4 "	
5	On every Jinriksha	2 "	to 4 "	
6.	On every bicycle or tricycle	1 "	to 2 "	

C. Revision of Water House-Connection Charges

(a) A flat rate of four annas per month to be levied as a charge for every house connection given and to be given, the excess water charges being also collected

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provided that the exsiting minimum house assessment fixed for a house connection be ~~xxxx~~ abolished, other conditions remaining the same

(b) The excess water charges to be raised from 12 annas to Re 1 for every 1000 gallons

(c) No free allowance of water to be allowed to Government institutions from 1st July 1925

(d) In the case of Government institutions enjoying a free allowance, a concession rate of 8 annas per 1000 gallons t be charged for all water drawn by them

(e) In cases where no such free allowance is now being enjoyed, a rate of 12 annas for every 1000 gallons to be charged from 1st July 1925

The Council expect to realise an additional revenue of about Rs. 96,000 by the foregoing measures which they propose to utilise for Sinking Fund and Interest charges, the balance, if any, being funded separately for meeting the cost of renewal and depreciation ~~xxxxx~~ charges. The Municipality suggested that the improvements be completed and the control of work transferred to them from the 1st of July 1925

9) ~~The question as to why~~ the Municipal Council should not utilise a sum of Rs 6 lakhs of rupees for the water supply improvement works out of their reserve deposits ~~has been considered~~. With reference to this, the President ~~has~~ in his letter dated the 3rd June 1925 referred to in the preamble, stated that this diversion of the funds in the hands of the Council would be inexpedient, that it would not only dis-

disable the Municipal Council from holding a little margin of fluid cash in their hands which is necessary for a Metropolitan Municipality like that of Bangalore to meet immediate and unexpected demands, but would also have the effect of making the present generation pay in one lumpsum for what would also be enjoyed by future generations and on whom a portion of the burden should therefore fall.

10) After a full consideration of the question in all its aspects, Government are pleased to direct as follows:--

(1) that the Bangalore Water Supply improvement scheme, including the joint scheme of the Civil and Military Station towards which the (Civil and Military) Station will contribute half share be approved.

(2) that the Government give a grant of one-third of the total estimated cost of the scheme relating to the Bangalore city provided

(a) that the Bangalore City Municipal Council find the remaining two thirds of the cost as follows.-- 2 lakhs from their cash reserve and the balance of the two-thirds share as a loan from Government at 5 per cent to run for a period of 25 years;

(b) that the Municipal Council shall provide for sinking fund and in-

interest charges out of their current revenues.

(c) that the Municipal Council will take over completely the maintenance from 1st July 1926 and undertake to bear the whole maintenance charges from that date, and

(d) that the Municipal Council shall submit a scheme showing the ways and means for complying with the above 2 conditions specifying additional resources on which such a scheme is based.

2) With reference to the proposals of the Municipal Council in regard to the revision of the rates of certain existing taxes and tolls as detailed in para 6 of the Order, a notice calling for the objections from the residents of the Bangalore City to the proposed revision was published in the Mysore Gazette by the Municipal Council. 20 petitions protesting against the proposed revision were received and considered by the Municipal Council. They are of opinion that no case has been made out by the petitioners for dropping the well-considered scheme and that the petitions disclosed no definite proposals either to amend or alter the proposed changes in the system of taxation, and that they accordingly confirm the same without any modification.

These recommendations of the Council are sanctioned with effect from 1st July 1925.

2. Separate orders will issue regarding the new taxes proposed and the revision of charges for house connections in respect of water supply.

Secretary to Government,
L & L Departments.

The Municipal Commissioner, Municipal Council, Bangalore, through President City Municipal Council, Bangalore.

The Chief Engineer of Mysore.

The Secretary to Government, P.W.D.

The Comptroller to Government.